year, but increases the level of authorization and expenditure from $20,000,000 as contained in the bill as passed by the House, to a level of $40,000,000.

Senate amendment numbered 9 is reported in technical disagreement. The managers on the part of the House will offer a motion to recede from their disagreement to the Senate amendment numbered 5 and concur therein.

Amendment Numbered 10: Senate amendment numbered 10 amends section 3 of the Child Nutrition Act of 1966 by adding to the requirements of that section a mandate that any school or nonprofit child care institution shall receive the special milk program on its request, and a mandate that children who qualify for free lunches under guidelines set forth by the Secretary shall also be eligible for free milk.

The bill as passed by the House contains no comparable provision.

The House recedes.

Amendment Numbered 11: Senate amendment numbered 11 amends section 14 of the National School Lunch Act—

(a) by increasing the number of members on the National Advisory Council from 13, as in existing law, to 15, and

(b) by requiring that one of the members of such Council shall be a school lunch program supervisor from an urban school system and one member of such Council shall be a school lunch program supervisor from a rural school system.

The bill as passed by the House contains no comparable provision.

The House recedes.

Amendment Numbered 12: Senate amendment numbered 12 amends that part of section 9(b) of the National School Lunch Act which directs each State educational agency to prescribe, each fiscal year, income guidelines to be used during such fiscal year to determine eligibility for reduced-price lunches. Existing law provides that such income guidelines shall not be more than 50 percent above the applicable income levels in the income poverty guideline prescribed by the Secretary of Agriculture. Senate amendment numbered 12 provides that, for fiscal year 1974, such income guidelines may be established at not more than 75 percent above the applicable income levels in the income poverty guideline prescribed by the Secretary of Agriculture.

The bill as passed by the House contains no comparable provision.

The House recedes from its disagreement to the Senate amendment and concurs therein with a technical amendment which inserts "June 30," before "1974" where it occurs in the Senate amendment.

Amendment Numbered 13: Senate amendment numbered 13 directs the Secretary of Agriculture to carry out a comprehensive study to determine if the benefits of the school lunch and child nutrition programs accrue to those who are most in need. The Secretary must report his findings and any recommendations to Congress by June 30, 1974.

The bill as passed by the House contains no comparable provision.

This amendment is reported in technical disagreement. The managers on the part of the House will offer a motion to recede from their disagreement to the Senate amendment numbered 13 and concur therein, with an amendment and the managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment is as follows:

In lieu of the matter proposed to be inserted by Senate amendment numbered 13, insert the following:

COMPREHENSIVE STUDY OF BENEFITS OF PROGRAMS

SEC. 9. The Secretary of Agriculture is authorized and directed to carry out a comprehensive study to determine if the benefits of programs carried out under the National School Lunch Act and Child Nutrition Act are accruing to the maximum extent possible to all of the nation's school children, including a study to determine if those most in need are receiving free lunches, and to determine if significant regional cost differentials exist in Alaska and other States so as to require additional reimbursement. The Secretary shall report his findings, together with any recommendations he may have with respect to additional legislation, to the Congress no later than June 30, 1974. The Secretary shall consider any recommendations made by the Department of Health, Education, and Welfare, the General Accounting Office, the National Advisory Council on Child Nutrition, and interested professional organizations or individuals in the field of child care and nutrition. Alternatives to the present structure, including but not limited to the universal feeding program, shall be included in the study.

It is the intent of the conferees with respect to the amendment of the House, referred to above, that this study would determine (a) whether the benefits under the National School Lunch and Child Nutrition Acts are accruing to the maximum extent possible to all of the Nation's school children, (b) whether those children who are most in need are receiving the benefits under these programs, (c) the general efficiency of operating these programs and how waste that might be occurring in these programs might be eliminated or minimized, and (d) the need to recognize differences among regions, including Alaska, in the costs of operating a school lunch and breakfast program in determining the Federal reimbursement rates for such programs in such regions. The conferees also intend that, in carrying out such study, the Secretary of Agriculture shall consider any recommendations made by the Department of Health, Education, and Welfare, the General Accounting Office, the National Advisory Council on Child Nutrition, and interested professional organizations or individuals in the field of child care and nutrition, and shall consider alternatives to the present structure, including the universal feeding program.

Amendment Numbered 14: Senate amendment numbered 14 suspends for fiscal year 1974 the application of section 5(d)(2) of Public Law 81-874 in determining the eligibility of a local educational agency to receive impact aid funds, if such agency is located in a State which has adopted an education equalization program after June 30, 1972.

The bill as passed by the House contains no comparable provision.

Amendment numbered 14 is reported in technical disagreement. The managers on the part of the House will offer a motion to recede from the disagreement to the Senate amendment numbered 14, and concur therein, with a technical amendment to strike out "as" from the first sentence thereof, and the managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

CARL D. PERKINS,
LLOYD MEEDS,
ALBERT H. QUIE,
Managers on the Part of the House.

JAMES B. ALLEN,
GEORGE MCGOVERN,
HUBERT H. HUMPHREY,
MILTON R. YOUNG,
ROBERT DOLE,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT OCTOBER 10, 1973, TO FILE REPORT ON H.R. 10710, TRADE REFORM ACT OF 1973

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Wednesday, October 10, 1973, to file a report on the bill, H.R. 10710, the "Trade Reform Act of 1973," along with any separate and/or minority views, if any.

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

There was no objection.

TRADE REFORM ACT OF 1973

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

Mr. ULLMAN. Mr. Speaker, I requested this time to address the House in order to announce to the House that the Committee on Ways and Means this afternoon ordered favorably reported H.R. 10710, the "Trade Reform Act of 1973." This bill has been developed after the most extensive and careful consideration by the Committee on Ways and Means over a period of many months. It was ordered reported by a very large majority vote of the committee of 20 to 5. We expect to file the committee report on the bill not later than midnight next Wednesday, October 10, and it is our hope that we will be heard by the Rules Committee early in the following week.

I would like to advise the Membership of the House that I have been authorized and directed by the Committee on Ways and Means to request from the Rules Committee a rule which would be closed except for a separate motion to strike title IV of the bill, which relates to trade relations with countries not enjoying most-favored-nation treatment, and a separate motion to strike title V of the bill, which provides for a generalized system of preferences. It was the feeling of the Committee on Ways and Means that the House would want to work its will separately with reference to those two titles, which could be separable from the balance of the bill.

Mr. Speaker, since I do not wish to further delay the House at this point, I do not wish to go into detail with reference to the bill but I will simply make one statement, and that is that the bill is a good bill, it differs vastly from the bill which was sent to us by the administration, and it is a bill which I feel confident is in the best interest of the United States. I intend at a later point tomorrow to explain in more detail the nature of the contents of the bill.

Mr. Speaker, I include in the RECORD at this point a brief summary of the bill:

SUMMARY OF THE TRADE REFORM ACT OF 1973

This major legislation, as it is being drafted, would provide the foundation for the United States' future trade relations with other industrialized countries, with developing countries and with communist countries. The thrust of the Committee's effort has been, on the one hand, to provide the President adequate trade agreement authority to achieve reciprocal reductions of both tariff and non-tariff barriers, within Constitutional limits and subject to closer Congressional surveillance, and on the other hand, to provide adequate safeguards for the rights of workers, industries, farmers, consumers and others, including provision to assure that their views will be heard and fully considered in all government decision-making machinery on trade matters.

A new bill, embodying the Committee's decisions, will be introduced later this week when the Committee will meet to consider ordering it reported.

The major points of each of the five titles are summarized below.

TITLE I—NEGOTIATING AND OTHER AUTHORITY

Title I contains the basic authorities, subject to clearly defined limitations, for the President to enter into both tariff and non-tariff barrier negotiations. The President is provided authority for a period of five years to change tariffs, within certain limits, pursuant to mutually beneficial trade agreements. The President would be authorized (a) to eliminate tariffs completely where existing duties are 5 percent or less; (b) to reduce tariffs by 60 percent where existing rates of duty are between 5 and 25 percent; and (c) to reduce duties by 75 percent where existing duties exceed 25 percent. In the last case, duties cannot be reduced below 10 percent. In general, duty reductions will be phased over a period of not less than five years, but not more than 15 years after the initial proclamation date.

The bill provides a mechanism for implementing international trade agreements which may affect domestic laws. It establishes a new procedure under which the President can implement international agreements on non-tariff barriers and other distortions of international trade if he notifies the Congress 90 days before entering into such an agreement, and if neither House of Congress by privileged resolution disapproves by a simple majority the agreement within another 90 days after submission.

The President is directed to promote the development of an open, non-discriminatory fair world trading system through the revision and reform of international trading rules including the revision of specific rules in the GATT.

The President is given a carefully defined authority to deal with balance of payments deficits on an emergency basis whereby he can impose import surcharges up to 15 percent ad valorem for a period not to exceed 150 days. Any extension of such action beyond that time must be legislated by the Congress.

The President is also authorized to reduce tariffs and other import restrictions within defined limits in the case of a persistent balance of payments surplus. These balance of payments authorities are to be exercised in a manner consistent with relevant international monetary reform agreements to which the United States becomes a party.

To assist in meeting the problem of inflation, the President would be authorized, under certain guidelines, to temporarily reduce or suspend the rates of duty as well as temporarily liberalize quantitative import restrictions on articles whose supplies are inadequate to meet domestic demand at reasonable prices.

Limited trade agreement authority also is provided to enable the President to grant tariff compensation when actions are taken to increase United States' duties or impose other import restrictions. Further limited authority is provided the President to renegotiate duties, treminate trade agreement proclamations, and withdraw concessions.

Tighter procedures on reporting by the President in regard to national security determinations and closer Congressional monitoring in national security trade matters are established.

Detailed procedures are established for hearings and advice concerning the preparation for and conduct of trade negotiations, assuring participation by all sectors of the economy, including consumers and producing interests.

The bill would establish the Office of the Special Representative for Trade Negotiations and specify its functions and responsibilities to both the President and the Congress with respect to trade matters.

Finally in this title, provision is made for close and continuing oversight by and consultations with the Congress during the nenegotiations. Congressional advisors to the negotiations and other trade conferences are provided.

TITLE II—RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION

Title II makes major changes providing greater accessibility of industries and workers seriously injured by import competition to either temporary protection from imports or adjustment assistance, or a combination of both. In the future it will be sufficient for those affected to establish before the Tariff Commission that imports are a substantial cause of serious injury in order to obtain a Commission finding on the basis of which the President may grant temporary import relief. The bill establishes an order of preferences which encourages the President to use tariff increases rather than quantitative restrictions when he grants import relief. Tighter time limits are imposed in order to assume efficient and timely decisions.

Access to adjustment assistance is made easier through more liberal criteria and simplified and quicker procedures.

Workers would be entitled to up to 52 weeks of cash allowances. Weekly cash allowances are increased to 70 percent of a worker's average weekly wage for the first 26 weeks of entitlement. For the second 26 weeks of entitlement, a worker would receive a benefit equal to 65 percent of his average weekly wage as under present law. Maximum weekly cash allowances are increased from 65 percent to 100 percent of the average weekly wage in manufacturing (from an estimated $111 to $170 in 1974). Older workers may receive up to 13 additional weeks and workers in training may receive up to 26 additional weeks if needed to complete an approved training program. In addition, workers may receive training on a priority basis, employment placement, counseling, testing, and other supportive services and relocation benefits. For the first time, trade-impacted workers may receive expenses to assist them search for a job when suitable local employment is not readily available. The program will be financed through a trust fund out of customs revenues.

The legislation also establishes a program of adjustment assistance for import-affected firms which do not have reasonable access to the capital market. This program includes both technical assistance and, when the adjustment program of a particular firm is determined to be eligible, financial assistance up to $1 million in direct loans and $3 million in government-guaranteed loans.

The legislation establishes machinery for coordinating within the different parts of the executive branch programs that would contribute to effective adjustment assistance as well as insuring that studies of the Tariff Commission in regard to import relief and studies by the Secretary of Commerce on the feasibility of adjustment assistance become available to the President so that he can decide on actions which will assist the import impacted industries and workers effectively but with a minimum cost to the economy as a whole.

TITLE III—RELIEF FROM UNFAIR TRADE PRACTICES

Title III revises three provisions dealing with unfair trade practices.

Chapter 1 revises and expands the President's authority to take action against foreign countries which maintain unjustifiable or unreasonable import restrictions and other policies which burden, restrict or discriminate against United States' exports. However, the President is required to give prior notice to the public of the foreign action and the products on which he intends to retaliate and hold hearings in which all interested parties may present their views before he uses his authority.

Further, the President is authorized, under certain defined conditions, to act against countries subsidizing their exports into the United States. All actions by the President under this authority are subject to a congressional veto.

Chapter 2 amends the Antidumping Act of 1921 by placing time limitations on investigations and withholding of appraisement as well as providing for hearings. Criteria for handling complaints on imports from state-controlled economies are also provided.

Chapter 3 contains major amendments to the countervailing duty law including a requirement that the Secretary of the Treasury must reach a final determination within 12 months after the question as to whether exports to the United States are subject to foreign bounty or grant. Duty-free imports will become subject to countervailing duties for the first time, subject to the finding of a bounty or grant by the Secretary of the Treasury and a subsequent finding by the Tariff Commission that such imports are causing injury to domestic industry. The provisions will assure that domestic producers have the right to judicial review of negative determinations by the Secretary of the Treasury. Finally, the bill will provide that the Secretary of the Treasury may choose not to impose countervailing duties if he finds that such action would seriously jeopardize the trade negotiations contemplated under the bill.

TITLE IV—TRADE RELATIONS WITH COUNTRIES NOT ENJOYING NONDISCRIMINATORY TREATMENT

Title IV responds to the President's request for authority to extend non-discriminatory (most-favored-nation). tariff treatment to imports from countries which currently are subject to the higher statutory rates of duty, as distinguished from the lower trade agreement rates conferred on imports from all other countries. These higher rates apply to all the communist countries except Poland and Yugoslavia. As agreed to by the Committee, however, the President can use his authority in the context of negotiated bilateral commercial agreements only if certain conditions are met, including safeguards against market-disrupting imports and safeguards and assurances for the protection of industrial rights and processes, including patent and copyright matters. Finally, the President's action is subject to his finding that such countries recognize the right of emigration. These commercial agreements will be for no longer than 3 years but in regard to the freedom of emigration condition, there must be periodic reports by the President to the Congress, and the Congress retains the right for either House to veto a grant (or continuation) of non-discriminatory tariff treatment. In addition, there are other considerations that the President may take into account in using this authority and in negotiating the bilateral commercial agreements.

TITLE V—GENERALIZED SYSTEM OF PREFERENCES

Title V provides authority to the President for 10 years to participate with other developed countries in granting generalized tariff preferences on imports of semi-manufactures, manufactures and selected other products from developing countries. Those duty-free preferences would terminate on imports of an article from a particular developing country which supplies more than 50 percent of the total value of the United States imports or $25 million of the article to the United States during a representative annual period. Preferential treatment will not apply to an article on which import relief measures are in effect. Developing countries

which do not undertake to eliminate preferences that discriminate against United States' exports (that is, preferences to other developed countries) before January 1, 1976, and developing countries which do not receive non-discriminatory (most-favored-nation) treatment are not eligible for preferences.

REPORT ON COMPARABILITY ADJUSTMENT FOR FEDERAL STATUTORY PAY SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-162)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

In accordance with the provisions of section 5305 of title 5, United States Code, I hereby report on the comparability adjustment I am ordering for the Federal statutory pay systems in October 1973.

The Director of the Office of Management and Budget and the Chairman of the United States Civil Service Commission, who serve jointly as my agent for Federal pay, have recommended a 4.77 percent average increase in Federal statutory pay rates—a figure arrived at by computing comparability using a new computation method which will be phased in over the next three years. The new method compares actual average salaries in the private and Federal sectors instead of assuming, as the former system did, that the 4th rate of each grade represented the Federal average. This change follows recommendations made last year by the Advisory Committee on Federal Pay.

Since the effect of the new method is to reduce somewhat the size of the pay adjustment from the 5.47 percent that would have taken effect under the old computation method, the Federal Employee Pay Council and other Federal employee organizations are understandably opposed to its introduction at this time. The Advisory Committee on Federal Pay, however, agrees with my agent that a change is necessary and has endorsed the new method, although the committee did recommend that it be introduced next year.

In reaching a final decision on the appropriate comparability adjustment, I have given careful consideration to all of these views. My agent and the Advisory Committee are not in disagreement on *whether* to adopt the more precise way of determining comparability, only on *when*. The Advisory Committee's recommendation to begin the change in 1974 was based on the assumption that the current increase would not occur until the final month of 1973. This assumption no longer holds, and I have decided that we should move now in the direction of the more accurate method, making the transition gradually over a three-year period to avoid undue hardship to employees by an abrupt change in the system. Based on that decision, I have concluded that an average increase of 4.77 percent in the pay rates of the statutory pay systems is the appropriate comparability adjustment.

I am transmitting herewith the reports of my agent and the Advisory Committee, as well as a copy of the Executive order I have promulgated to put this pay increase into effect. Also enclosed is an Executive order adjusting basic pay for members of the uniformed services, as required by section 8 of Public Law 90-207 (81 Stat. 654).

RICHARD NIXON.

THE WHITE HOUSE, *October 3, 1973.*

BIG CYPRESS NATIONAL RESERVE, FLA.

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 565 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 565

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10088) to establish the Big Cypress National Preserve in the State of Florida, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON) pending which I yield myself such time as I may consume.

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

Mr. PEPPER. Mr. Speaker, House Resolution 565 provides for an open rule with 1 hour of general debate on H.R. 10088, a bill to establish the Big Cypress National Preserve in the State of Florida.

H.R. 10088 defines the area of the preserve as to include 570,000 acres of land and water—approximately 522,000 of privately owned lands and 48,000 acres of publicly held lands. The bill allows the Secretary of the Interior to permit hunting, fishing, and trapping within the preserve in accordance lwth State and Federal laws.

H.R. 10088 authorizes the appropriation of $116,000,000 for land acquisition. I am very much pleased to announce that the State of Florida has agreed to donate lands and/or funds equivalent to $40 million toward this great project. The bill also provides for $900,000 for development costs.

Mr. Speaker, the establishment of the preserve will protect a significant portion of the Big Cypress watershed, which is one of the unique watersheds in all the Nation, and indeed in all the world, and which is critical to the survival of the Everglades National Park, the only tropical national park in the United States, and of course one of Florida's and one of America's greatest natural resources.

Mr. Speaker, I do not wish to conclude my remarks without deserved words of commendation and appreciation for my distinguished colleague, the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Florida (Mr. HALEY) and his committee, for having laboriously and painstakingly and wisely worked out this rather complicated bill in such a way as to promote immensely the national interest, and at the same time to be fair to the private interests that are involved in the ownership of lands in the area. This is a great project, and one that will make possible some significant advances in national conservation in which the people of our country are very much concerned.

Mr. Speaker, I urge the adoption of House Resolution 565 in order that the House may consider and I hope favorably adopt H.R. 10088.

Mr. Speaker, I now yield to the gentleman from California (Mr. DEL CLAWSON).

Mr. DEL CLAWSON. I thank the gentleman for yielding.

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

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

Mr. DEL CLAWSON. Mr. Speaker, House Resolution 565 provides for the consideration of H.R. 10088, establishing the Big Cypress National Preserve in the State of Florida, under an open rule with 1 hour of general debate.

The primary purpose of H.R. 10088 is to establish the Big Cypress National Preserve in southern Florida. The proposed preserve includes 570,000 acres of land, 522,000 of which is privately owned and 48,000 of which is publicly owned.

The committee report indicates the Big Cypress watershed is important to the survival of a large portion of the Everglades National Park. The Big Cypress Swamp accounts for about 56 percent of the water entering the Everglades National Park from the outside. In addition, the Big Cypress Swamp is important as a wildlife sanctuary and as a botanical preserve. It is envisioned that the area will also offer many outdoor recreation opportunities to the visiting public.

The total land acquisition cost of this project is estimated at $156,000,000 of which the State of Florida has agreed to donate $40,000,000 in land and funds. This leaves a total land acquisition cost to the Federal Government of $116,000,000. Since land values are rising in the area, it is anticipated that delay will increase the cost. Development costs will

S. 2419. An act to correct typographical and clerical errors in Public Law 93–86.

ADJOURNMENT

Mr. JONES of Oklahoma. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 38 minutes p.m.), the House adjourned until tomorrow, Thursday, October 4, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1420. A letter from the Secretary of the Air Force, transmitting a report on the Air Force military construction contracts awarded by the Department of the Air Force without formal advertisement for the period January 1, 1973 through June 30, 1973, pursuant to section 804, Public Law 90–110; to the Committee on Armed Services.

1421. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms during July 1972 through June 1973, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

1422. A letter from the Acting Secretary of the Interior, transmitting the annual report for the calendar year 1972 regarding the administration of the Federal Metal and Nonmetallic Mine Safety Act, pursuant to section 20, Public Law 89–577; to the Committee on Education and Labor.

1423. A letter from the Assistant Secretary of Agriculture, transmitting a preliminary report of actions taken in the implementation of the special supplemental food program for women, infants, and children, pursuant to the National School Lunch Act, as amended by Public Law 92–433; to the Committee on Education and Labor.

1424. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755) as amended, to extend and adapt its provisions to the convention between the United States and the Government of Japan for the protection of migratory birds and birds in danger of extinction, and their environment, concluded at the city of Takyo, March 4, 1972; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DONOHUE: Committee on the Judiciary. H.R. 9800. A bill to amend sections 2733 and 2734 of title 10, United States Code, and section 715 of title 32, United States Code, to increase the maximum amount of a claim against the United States that may be paid administratively under those sections and to allow increased delegation of authority to settle and pay certain of those claims; with amendment (Rept. No. 93–539). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H.R. 10203. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; with amendment (Rept. No. 92–541). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee of Conference. Conference report on H.R. 9639 (Rept. No. 93–540). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HENDERSON (for himself and Mr. DULSKI):

H.R. 10700. A bill to provide for improved labor-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BEAUX (for himself, Mr. JONES of Alabama, Mr. WRIGHT, Mr. CLARK, Mr. DORN, Mr. HENDERSON, Mr. ROBERTS, Mr. DON H. CLAUSEN, Mr. HOWARD, Mrs. BURKE of California, Mr. GINN, Mr. MILFORD, Mr. WALSH, Mr. HÉBERT, Mr. PASSMAN, Mr. RARICK, Mrs. BOGGS, Mr. LOTT, Mr. CHARLES WILSON of Texas, and Mr. WAGGONNER):

H.R. 10701. A bill to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities; to the Committee on Public Works.

By Mr. ADDABBO:

H.R. 10702. A bill to permit institutions to participate in the veterans' cost-of-living instruction program when at least 5 percentum of their undergraduate students are veterans; to the Committee on Education and Labor.

By Mr. BAKER:

H.R. 10703. A bill to amend section 203 of the Economic Stabilization Act in regard to the authority conferred by that section with respect to petroleum products; to the Committee on Banking and Currency.

By Mr. DE LA GARZA:

H.R. 10704. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DU PONT:

H.R. 10705. A bill to insure that each admission to the service academies shall be made without regard to a candidate's sex, race, color, or religious beliefs; to the Committee on Armed Services.

By Mr. MOAKLEY:

H.R. 10706. A bill to establish a national homestead program under which single-family dwellings owned by the Secretary of Housing and Urban Development may be conveyed at nominal cost to individuals and families who will occupy and rehabilitate them; to the Committee on Banking and Currency.

By Mr. SAYLOR (for himself and Mr. WOLFF):

H.R. 10707. A bill to establish a loan program to assist industry and businesses in areas of substantial unemployment to meet pollution control requirements; to the Committee on Banking and Currency.

By Mr. SNYDER:

H.R. 10708. A bill, Emergency Medical Services System Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. WYMAN (for himself, Mr. WON PAT, Mr. BROWN of California, Mr. TIERNAN, Mr. RIEGLE, Mr. WILLIAMS, Mr. MAYNE, Mr. GILMAN, Mr. YATRON, Mr. FOUNTAIN, Mr. EILBERG, Mr. RONCALLO of New York, Mr. NICHOLS, and Mrs. HECKLER of Massachusetts):

H.R. 10709. A bill to create a corporation for profit to develop commercially feasible processes for the conversion of coal to crude oil and other liquid and gaseous hydrocarbons, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN (for himself and Mr. SCHNEEBELI):

H.R. 10710. A bill to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. ANDERSON of Illinois (for himself and Mr. BROYHILL of Virginia):

H.R. 10711. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

By Mr. ASPIN:

H.R. 10712. A bill to amend title 10, United States Code, to change the method of computing retired pay of certain enlisted members of the Army, Navy, Air Force, or Marine Corps; to the Committee on Armed Services.

By Mr. DENT (for himself, Mr. PERKINS, Ms. ABZUG, Mr. ASHLEY, Mr. BELL, Mr. BENITEZ, Mr. BIAGGI, Mr. BLATNIK, Mr. BOLAND, Mr. BRASCO, Mr. BROWN of Ohio, Mr. BURTON, Mr. CARNEY of Ohio, Mr. CLAY, Mr. CONYERS, Mr. COTTER, Mr. DOMINICK V. DANIELS, Mr. EDWARDS of California, Mr. FASCELL, Mr. FLOOD, Mr. WILLIAM D. FORD, Mr. GAYDOS, Mrs. GRASSO, and Mr. HARSHA):

H.R. 10713. A bill to revise the Welfare and Pension Plans Disclosure Act; to the Committee on Education and Labor.

By Mr. DENT (for himself, Mr. THOMPSON of New Jersey, Mr. HAWKINS, Mr. HAYS, Mr. HELSTOSKI, Mr. HOLIFIELD, Mr. LEHMAN, Mr. LENT, Mr. MATHIS of Georgia, Mr. MAZZOLI, Mr. MEEDS, Mrs. MINK, Mr. MOAKLEY, Mr. OBEY, Mr. O'BRIEN, Mr. O'HARA, Mr. PEYSER, Mr. PODELL, Mr. QUIE, Mr. RODINO, Mr. SARASIN, Mr. STUDDS, Mr. TIERNAN, and Mr. VIGORITO):

H.R. 10714. A bill to revise the Welfare and Pension Plans Disclosure Act; to the Committee on Education and Labor.

By Mr. DENT (for himself, Mr. WIDNALL, Mr. WILLIAMS, Mr. CHARLES H. WILSON of California, Mr. WON PAT, Mr. YATRON, Mr. BRECKINRIDGE, and Mr. NIX):

H.R. 10715. A bill to revise the Welfare and Pension Disclosure Act; to the Committee on Education and Labor.

By Mr. DENT (for himself, Mr. HAYS, Mr. SMITH of New York, Mr. SCHERLE, Mr. HECHLER of West Virginia, Mr. SEIBERLING, Mr. CRONIN, Mr. JAMES V. STANTON, Mr. LANDRUM, Mr. HALEY, and Mr. DELANEY):

H.R. 10716. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. FROEHLICH (for himself, Mr. OBEY, Mr. MEEDS, Mr. SAYLOR, Mr. LUJAN, Ms. ABZUG, Mr. ANDERSON of Illinois, Mr. ASPIN, Mr. BINGHAM, Mr. BLATNIK, Mrs. BURKE of California, Mr. CAMP, Mrs. CHISHOLM, Mr. DON H. CLAUSEN, Mr. CLEVELAND, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DELLENBACK, Mr. DE LUGO, Mr. DERWINSKI, Mr. ERLENBORN, Mr. FRASER, Mrs. GREEN of Oregon, and Mrs. HANSEN of Washington):

H.R. 10717. A bill to repeal the act terminating Federal supervision over the property and members of the Menominee Indian Tribe of Wisconsin as a federally recognized, sovereign Indian tribe; and to restore to the Menominee Tribe of Wisconsin those Federal services furnished to American Indians because of their status as American Indians; and for other purposes; to the Committee on Interior and Insular Affairs.

entitled "55 Arrested in Protest at GW Hospital," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIFTY-FIVE ARRESTED IN PROTEST AT GW HOSPITAL

(By Judy Luce Mann)

Fifty-five employees of George Washington University Hospital, who were protesting the hospital's refusal to permit a union representation election, were arrested in the hospital lobby yesterday where they had staged a noisy, 2½-hour demonstration.

The employees, who are seeking a vote on representation by the National Hospital and Nursing Home Employees union, walked off their jobs at 10 a.m. and began gathering in the lobby.

Then, as television cameras appeared and other hospital employees converged on the scene, the demonstrators took up such chants as "We want a union," "We shall not be moved" and "We want Novak." Donald Novak is the administrator of the hospital.

Wilbert Pullian, one of the protest leaders, quieted the group briefly to announce that Novak had agreed to meet with "three of us; in the meantime, he wants us to keep the noise down." Pullian was shouted down with demands that hospital officials meet with the whole group.

Meanwhile, explaining that the protest was "all unexpected," Sally Whited of the Hospital's public relations staff, stood on the fringes of the crowd and tried over the din to explain the university's position.

"The hospital wants some sort of proof that a majority of the employees want this election," she said. The proof desired now, she said, are sign-off cards on which employees can state that they want the election. Such cards are required from 30 per cent of employees in units seeking unionization under National Labor Relations Board regulations. These regulations do not apply to nonprofit hospitals. Although George Washington is a nonprofit hospital, and thus outside NLRB jurisdiction, it still wants such an expression of sentiment, Miss Whited said.

Diane Christopherson, a medical technologist and protest leader, noted that the NLRB does not cover the hospital and said, "we're walking off our jobs to demand an election." She said 700 to 800 employees, most of them technicians and nursing aides, would be eligible for the proposed unionization.

She acknowledged that the group in the lobby did not constitute a majority of these employees, but said that "many of the workers are still afraid of their bosses; they don't have the job security."

At 11:30, Bud Matthai, assistant administrator for security, appeared in the lobby and ordered the area cleared on the grounds that the protest was disruptive.

"We've had a complaint from the operating room. Therefore, I'm telling you to clear this lobby. If you do not you all will be placed under arrest," he said.

The protestors began chanting "We're all going to jail," and within minutes most of them had taken seats on the lobby floor. As film crews moved in toward the protestors, they briefly chanted "the whole world is watching," but then reverted to the chants of "We're all going to jail" and "We want Novak."

Novak, according to Miss Whited, was meeting with university officials about the protest. He did not appear and there was no further statement by university officials.

As about 30 policemen gathered on the sidewalk in front of the hospital, Matthai appeared again, flanked by several police officials, and announced that the hospital had to "shut down one operating room." He asked the protestors to leave and said that "anyone here will be subject to arrest."

The chanting protestors remained seated and the arrests began at about 12:30. The demonstrators, many of them munching on snacks, joked with the police as they were escorted into the four paddy wagons and several police cruisers. "Just give us the address, we'll walk over," one man said.

Police said 32 men and 23 women were arrested and that all were charged with unlawful entry. They were arraigned in Superior Court and all were released on their own recognizance. Trial was scheduled for Jan. 30.

TRADE REFORM ACT OF 1973

Mr. MONDALE. Mr. President, I intend to submit several amendments to the Trade Reform Act of 1973. I am pleased that Senator RIBICOFF, chairman of the Trade Subcommittee of the Finance Committee, is joining me as a cosponsor of these amendments. The amendments update the trade bill to address the new challenge which confronts us today—the use of export controls on scarce raw materials and perhaps even manufactured products as a new weapon in international politics.

The Trade Reform Act, as reported by the House Ways and Means Committee, would provide authority necessary to achieve greater access for American products to overseas markets. While this is a necessary objective for meaningful trade negotiations, it must not be the exclusive aim of trade reform. Yet, the bill in its present form does not deal with the equally pressing need to assure access to supplies of the raw materials we need for a stable and growing economy.

Under the Export Administration Act of 1969, the President has the authority to curtail the shipment of our products overseas. But the use of export control authority cannot be viewed solely within a domestic context, as the oil embargo clearly shows. Agreements to prevent the unjustified use of export controls must be a major goal of international trade negotiations, and the President must have more explicit and precise authority to respond to export embargoes against the United States.

During the last World War, President Roosevelt and Prime Minister Churchill dedicated our two nations to the defense of several major principles which form the basis for the collection security of Western countries. Enumerated in the Atlantic Charter, these principles include under title IV the goal of "access, on equal terms, to the trade and to the raw materials of the world."

The principle articulated by Secretary of State Cordell Hull, the father of the trade agreement program, that "if goods cannot cross borders, armies will," was ignored before the war. In the postwar decades, international trade negotiations concentrated almost exclusively on the problem of surplus production and on access to markets, and virtually ignored the problem of access to supplies of raw materials.

However, today we face new problems of resource scarcity and accelerated inflation in which producing countries are withholding supplies of a wide variety of products for purely economic reasons or, in the case of oil, to extract political concessions.

The United States, Japan, and the Common Market countries are all suffering from intolerable rates of inflation. This inflation poses a threat to our political institutions. For the continual increases in the cost of living tend to erode public confidence in government.

When prices spiral out of control, people may reach out for government which can effectively halt inflation even at the expense of their democratic traditions.

Inflation is eating away at the real earnings of working people in the United States. Shortages of food, fuel, timber, cotton, scrap iron, cement, and many other products are a major cause of rapid inflation this year.

At the present time, many U.S. companies are facing difficulties in obtaining raw materials, and a number have asked that authority under the Export Administration Act be invoked to curtail shipments overseas.

While in some cases such controls may be justified, I believe we must begin to view export restrictions in a broader international context. For instance, if we prohibit all exports of America's oil, would the Canadian Government—the single largest supplier of oil to the United States—be encouraged to follow our example?

The imposition of the Arab embargo over oil is the most clearcut example of the unreasonable use of export controls, and it has greatly intensified the economic difficulties we face. Our factories and farms depend upon petroleum to operate. Unless adequate supplies of fuel are made available, shortages and higher prices will spread throughout our economy next year.

Although we need fuel, American foreign policy cannot yield to blackmail over oil. At stake is not only our firm and longstanding commitment to Israel but also our best strategic and economic interests. A taste of success from extortionist tactics will only increase the appetite for more concessions. For the long-term lesson is that blackmail could easily be employed by countries that are monopoly suppliers of other products.

The United States is already more than 50 percent dependent on imports for 6 of the 13 major raw materials required by our industries, and projections show that by 1985 we will be dependent on imports for 9 of these materials.

A senior Brookings economist, Fred Bergsten, recently noted in Foreign Policy magazine:

> Four countries control more than 80 percent of the exportable supply of world copper, two countries account for more than 60 percent of world tin exports, and four countries raise that total close to 95 percent. Four countries combine for more than 50 percent of the world supply of natural rubber. Four countries possess over one-half the world supply of bauxite. And a handful of countries are coming to dominate each of the regional markets for timber.

In our increasingly interdependent world, a high degree of responsibility must be exercised by all countries. Industrialized nations have an obligation to asure that developing countries have an opportunity to achieve desired levels of economic growth by providing tech-

nical assistance, market access, credits, and grants in aid. At the same time, countries that have valuable resources have an obligation to use those resources in a manner which will not injure but benefit the world community.

Nations have obvious concerns about guarding the domestic supplies of raw materials when threatened by shortages or other national emergencies. Although the United States used such justifications last spring to impose export controls on soybeans, oil seeds, and other products, in taking such steps without prior consultation with our traditional trading partners—Japan and Europe—we set a bad example for the rest of the world.

It is naive to assume that our trading partners will give us greater access to their markets if we do not assure them stability of supplies. How can we expect, for example, the European Economic Community to liberalize its common agricultural policy and forgo self-sufficiency in food production unless we provide reasonable quarantees that we will not cut them off each time our stocks run low?

An assurance of markets is necessary for an assurance of supplies. The United States should play a leading role in working to liberalize trade barriers. But we also must build a system of world food reserves to make certain that export commitments can be met and that food will be available to the developing countries in time of emergency needs.

For an assurance of markets and other economic benefits also requires an assurance of supplies. We must take the initiative in negotiations to achieve an international set of rules to assure access, on an equitable basis, to supplies of food and scarce raw materials.

The amendments I offer today are designed to accomplish these goals.

First, my amendments would provide the basis for collective trade agreements on export controls. I recognize that there is already a general prohibition against export controls in GATT, article 11. But there are many exceptions in GATT articles 11, 20, and 21 which need to be tightened and reformed; and the general prohibition has never been enforced.

The President would be directed to seek to strengthen the GATT provisions or other international agreements to include rules governing access to supplies of food, raw materials, and manufactured products. An extension of the GATT provisions would also be sought to authorize multilateral sanctions in GATT, or any other multilateral forum, against countries which by their actions substantially injure the international community, and thereby threaten the entire existence of the GATT system. If we can suggest curtailing our services to nations which give refuge to hijackers, and if we can suggest denying port facilities to nations which pollute the oceans with their tankers, then we can certainly consider multilateral trade and aid embargoes on nations which unjustifiably withhold vital raw materials.

While I would hope that such retaliatory measures would not have to be used, if they became necessary, rather than acting as helpless giants, members of the GATT system must work together to maximize their leverage against the offending countries. Just as the international community reacts together against import quotas, so it should react against countries which place unreasonable controls over exports.

For 20 years GATT has focused on the liberalization of import restrictions. These amendments would mean a major expansion of GATT responsibilities. Events of the past 2 years have demonstrated that it is crucial that these responsibilities be expanded.

We face an immediate crisis over oil. But in considering sanctions against producing countries, we must recognize the many practical problems that are involved. For example, would enough countries be willing to cooperate so that sanctions would be effective? How would we prevent the transshipment of products in the event a counterembargo were imposed?

Recent studies have cast doubt upon the effectiveness of a counterembargo imposed by the United States alone. We have also seen indications of an unwillingness on the part of the European states and Japan to resist the demands of oil-producing countries in the Middle East. The European countries have so far been unable to cooperate even among themselves in responding to Arab threats; and it is therefore unlikely that we can immediately secure cooperation between Europe, the United States, and Japan.

But it is obvious that the thrust of the Trade Reform Act must be redirected toward export control policies because of rapidly changing events. It is equally clear that the scope and powers of the general agreement on tariffs and trade must be enlarged to deal with this crucial issue. My amendments are designed to speed movement in this direction and to stimulate discussion so that we can arrive at the most effective means of responding to recent events.

My amendments would also give the President authority to retaliate against export controls which injure the United States. The definition of unfair trade practices provided in the Trade Reform Act would be expanded to include unreasonable and unjustifiable export restrictions—including quotas and embargoes on exports to the United States of manufactured goods and raw materials required for a stable and growing economy. The President would be given authority, subject to certain specified procedures, to counter such restrictions by the imposition of export and import quotas of our own and embargoes against any country which engages in these unfair trade practices.

In addition, the President would be empowered to deny economic and military assistance, as well as participation in any program of the United States which extends credit or investment guarantees to offending nations. Finally, the President would be authorized to restrain foreign direct and indirect investment by U.S. companies in these countries.

These amendments would give the President the leverage he needs to negotiate with other governments from a position of strength. Hopefully the President would use this authority within a multilateral context as called for by my proposed changes in the GATT rules.

We must begin now by rebuilding our relationships with the Europeans and the Japanese. Over the past 4 years, the administration has devoted most of its attention to superpower politics and has largely overlooked our traditional trading partners and the less developed countries. This neglect has left both the Atlantic and Pacific Alliances in an unprecedented state of disarray.

For example, in the President's most recent energy message, he made no mention of the need of our allies in planning their energy programs. Self-sufficiency for the United States by 1980 in energy would not end our problems if Europe and Japan were still totally dependent on Arab oil.

There has been a failure of advanced consultation on a whole array of issues involving our allies. But one symbolic example of the administration's neglect is its refusal for more than a year to appoint an Ambassador to the prime forum for cooperation with our allies—the OECD—during this time of acute crisis in world economic relationships. It is the OECD in which oil policies are coordinated among the industrialized countries and in which basic economic policies are reviewed among the industrialized countries together.

We must start to work together to build new procedures and rules within GATT and the OECD—rules that will serve notice that the United States and its allies will be prepared to act together to counter any threat to our collective economic security. One immediate step would be to join together and form within these organizations a coalition of oil-consuming nations to present a common front in bargaining with the Arab States.

Rules must be formulated in a manner which insures a fair return to producing countries for their precious resources and which insures their economic development. I believe that we can devise a system which is equitable to producing countries and to the industrialized world.

While many obstacles must be cleared, we must seize this opportunity to make our international economic institutions more responsive to the problems of scarcity, of inflation, and of unfair trade practices which deny raw materials to member countries—just as these economic institutions have dealt in the past with problems of abundance, of unemployment and of unfair trade practices in which imports unfairly penetrated markets.

Economic self-sufficiency is a good rhetorical catch phrase. But it no longer is a realistic or meaningful goal as we enter the final quarter of the 20th century. We must learn to cooperate in accordance with recognized principles of fair trade so that the people of all countries can look forward to a more secure and prosperous future.

The agreements concluded in the Tokyo round of negotiations will in great measure determine the future shape of

international economic relations. We may find ourselves in a world dominated by growing hostility between rich and poor and among the rich unless the United States takes the lead in strengthening the community of interest among our Nation, our principal trading partners and the developing countries.

Mr. President, I ask unanimous consent that the full text and a summary of my amendments, along with a recent editorial from the Washington Post and a statement from a group of Cambridge economists, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF MONDALE AMENDMENTS TO TRADE REFORM ACT OF 1973

The Mondale amendments would:

Amend the Trade Reform of 1973 to make access to supplies of raw materials one of the major goals of U.S. trade negotiations;

Direct the President to seek to extend and strengthen provisions of the General Agreement on Tariffs and Trade (GATT) or other international agreements to include rules governing export embargoes by member nations that deny equitable access to supplies of food, raw materials, and manufactured products;

Direct the President to seek to negotiate authority for multi-lateral sanctions, through GATT or any other international forum against member or non-member countries which impose export embargoes that substantially injure the international community; and

Amend the definition of unfair trade practices to include the unjustifiable or unreasonable use of export embargoes, and authorizes the President, subject to procedural safeguards, to retaliate against countries which deny raw materials to the United States by imposing a counter embargo, by prohibiting economic and military assistance, credits or investment guarantees, and by restricting foreign direct and indirect investment by U.S. companies.

On page 5, line 7, strike out "and", and after line 7 insert the following:

(2) to insure equitable access to supplies of food or raw materials required for production of energy and orderly economic growth and development; and

On page 5, line 8, strike out "(2)" and insert "(3)".

On page 16, line 6, strike out "and".

On page 16, line 11, strike out the period and insert ", and".

On page 16, after line 11, insert the following:

(7) the strengthening and extending the provisions of GATT or other international agreements to include rules governing access to supplies of food and raw materials, including rules governing the imposition of export controls and the denial of access to supplies of petroleum, raw materials, and manufactured products.

(8) the extending the provisions of GATT or other international agreements to authorize multilateral sanctions by contracting parties against member or non-member countries which deny equitable access to supplies of petroleum, raw materials, and manufactured products, and thereby substantially injure the international community.

On page 106, line 3, after "IMPORT" insert "AND EXPORT".

On page 109, after line 3 insert the following:

SEC. 302. RESPONSES TO CERTAIN EXPORT PRACTICES OF FOREIGN GOVERNMENTS

(a) Whenever the President determines that a foreign country or instrumentality imposes unjustifiable or unreasonable restrictions, including quotas or embargoes, on the export to the United States of food or raw materials required for the production of energy or for orderly economic growth, he shall take all appropriate and feasible steps within his power to obtain the elimination of such restrictions, and he may take action under section 301 with respect to such country or instrumentality and its products, and, in addition, he may—

(A) impose restrictions, including quotas and embargoes, on the export of United States products to such country or instrumentality,

(B) deny economic and military assistance and participation in any program of the Government of the United States which extends credits, credit guarantees, or investment guarantees, to such country or instrumentality, and

(C) prohibit or restrict investments, direct or indirect, in such country or instrumentality by United States citizens and domestic corporations and by other corporations and entities which are controlled by United States citizens and domestic corporations.

(b) In determining what action to take under subsection (a), the President shall consider the relationship of such action to the international obligations of the United States and to the purposes stated in section 2.

(c) The President shall provide an opportunity for the presentation of views concerning the export restrictions referred to in subsection (a). Upon request by any interested person, the President shall provide for appropriate public hearings with respect to such restrictions after reasonable notice, and he shall provide for the issuance of regulations concerning the conduct of hearings under this subsection and subsection (d).

(d) Before the President takes any action under subsection (a) with respect to any foreign country or instrumentality—

(1) he shall provide an opportunity for the presentation of views concerning the taking of any such action,

(2) upon request by any interested person, he shall provide for appropriate public hearings with respect to the taking of any such action, and

(3) he may request the Tariff Commission for its views as to the probable impact on the economy of the United States of the taking of any such action.

On page 109, line 4, strike out "302" and insert "303".

On page 109, line 6, after "301" insert "OR 302".

On page 109, line 8, after "301(a)" insert "or under subparagraph (A), (B), or (C) of section 302(a)".

On page 109, line 19, after "301(a)" insert "or section 302(a), as the case may be,".

On page 43, line 11, strike out "302(b)" and insert "303(b)".

On page 43, strike out line 13 and insert "_____ of the Trade Reform Act of 1973' (with the blank space being filled with '301' or '302', which applies); and".

On page 43, line 26, strike out "302(b)" and insert "303(b)".

On page 46, line 11, strike out "302(b)" and insert "303(b)".

On page 46, line 18, strike out "302(b)" and insert "303(b)".

OIL, GRAIN AND THE TRADE TALKS

The massive and ponderous process of world trade negotiations has now begun, to the accompaniment of loud public fanfare and quiet private doubts. The doubts arise from the basic aims of the negotiations, which are now to a significant degree obsolete. These trade talks were originally organized as a further attempt to reduce protectionism among the rich nations, and open up markets for the poor. But the world's economy has changed suddenly and profoundly over the past year or two. The central issue now is not so much the various countries' attempts to shut out each others' goods. To the contrary, the real and pressing danger is the savage competition for access to limited supplies of those imported goods crucial to every nation's life—above all, grain and oil.

The world has no rules for distributing scarce commodities. Or, more accurately, it rations them to the highest bidder by raising prices. Currently that means soaring commodity prices that are inciting spectacular inflation rates in the industrial countries, and are lifting these goods altogether beyond the reach of the poor. It is an efficient process, in a mechanical sense, but it is intolerably disruptive and cruel. The trade negotiators seem to be commencing a long solemn discussion of barriers to imports, at a moment when their governments at home are scrambling frantically to grab the imports that they need.

Nearly two years ago, at the time of the first American devaluation, the leading nations all agreed that they ought to work out orderly new rules for world trade and money. The long labor of reorganizing the monetary system is now getting under way at the International Monetary Fund's meeting in Nairobi. The parallel reform of the trading rules, after months of preparations, now has formally begun with a meeting of 103 nations in Tokyo. They published a formal declaration pledging themselves to seek "the expansion and ever-greater liberalization of world trade." That is an admirable objective, but it is not at the moment the most important one. Nor is it likely to be the most important one for some years to come.

The great symbol of the sudden reversal of the issues is the United States and its wretchedly battered trade policy. After years of drumming on the European Common Market to loosen its barriers to American farm products, last June we swung around without notice and embargoed the exports of soybeans on which those same Europeans were counting. Meanwhile, after 15 years of limiting our imports of foreign oil, in order to keep our domestic prices up, we are now desperately trying to buy enough fuel oil in Europe to get ourselves through the coming winter.

The most urgent business for trade negotiators these days are those two commodities, food and oil. In both cases, there will be no international agreement at all unless the United States takes the initiative. But the United States does not seem to have any very clear idea precisely what it wants to do with either of them.

Regarding oil, the importing nations need an agreement on dividing up the available supplies, whatever they may be. Granted, an agreement would be agonizingly difficult to work out. But month after month of snarling and squabbling among the oil-fueled nations would inflict catastrophic damage on the relationships that have, for a generation, guaranteed world stability.

The prospects for an international grain system are, if anything, even dimmer. Solutions exist. Last week a group of eminent economists from Japan, Europe and this country met here at the Brookings Institution and worked out a draft plan for an international grain reserve. It would be expensive and complicated. It would require a kind of international consultation and joint action reaching well beyond the rather rudimentary procedures of the present trade and monetary systems. The only thing to be said for it is the cost of the alternative, in recurrent inflation, panic and anger.

The trade meeting in Tokyo was a sign of progress. The negotiations are now under way. But they are like a big ship, difficult to turn under full steam. There is a risk that this huge enterprise, with 103 nations aboard, will keep sailing ahead, by sheer force of momentum, toward an obsolete pur-

pose instead of turning to the work that most needs to be done.

OIL SHORTAGES AND MIDDLE-EAST POLITICS

A statement by Kenneth J. Arrow, Franklin M. Fisher, John Kenneth Galbraith, Simon Kuznets, Wassily Leontief, Merton J. Peck, Paul A. Samuelson, and Robert M. Solow.

We make the following statement in order to clarify the tenuous and complex relation between current oil supply problems and Middle East policy.

The coincidence of difficulties with the supply of gasoline and heating and residual fuel oils in the United States and the recent war in the Middle East may give rise to misunderstandings about the nature of the relation. It may be felt that American aid to Israel and support for its position are in some way responsible for the energy difficulties (the word, "crisis," is much too strong). There is only a limited and most transitory connection, and our foreign policy should not be deflected in the slightest by the illusion that giving in to oil blackmail will in fact gain us anything.

1. The world crude oil situation has two aspects. First is the cartel of the producing nations, the members of the Organization of Petroleum Exporting Countries (OPEC), which has both Arab and non-Arab members. This cartel has been able to raise prices repeatedly by raising the tax on oil exports. The tax becomes a cost to the oil companies, who are able to pass it on to customers like any excise tax. The upper limit to this monopoly is the cost of alternative sources of fuel. This is obviously a very uncertain ceiling in the short or long run. Some put it near $5 a barrel f.o.b. Persian Gulf, some as high as $10. It is certain that the OPEC nations will keep probing toward this limit. They began this process with the Teheran "agreements" of 1971, which were violated within a few months.

In early October of this year, the Persian Gulf members ended the charade of negotiations and raised prices unilaterally. Without doubt, they will do so again.

There was and is no connection between Middle East peace and the oil monopoly of Arab and non-Arab nations. If some perfect Middle East political settlement were reached tomorrow, the OPEC countries would not give up a cent of their gains, and they would not cease to consider when and how much to raise prices. To suggest a connection between Arab-Israel strife and the contrived scarcity of oil to drive up prices is to commit a non-sequitur.

2. The new element in the situation lies in the cutbacks, over and above the normal scarcity, which were proclaimed in mid-October by the Arab nations and which, they said, would continue until the borders of Israel return to those before the Six-Day War of 1967 and until the Palestinian people were granted their "rights," a concept not explained. To the cutbacks has been added a proclaimed total embargo against the United States.

The embargo is not important in itself. We need only cite the June 1973 statement of the ex-Secretary-General of OPEC, Dr. Pachachi of Iraq, to the effect that a selective embargo is useless, as well as the interview with King Feisal and Prince Saud of Saudi Arabia in late August, when they pointed out that the United States could not be reached by an Arab embargo against them alone.

The cutback in total production of the Arab countries is genuinely damaging to the consuming nations, though the United States is harmed least of all. The extent of those cutbacks is not altogether clear. Iraq has not joined; Libya's stand is unclear, though both have embargoed the United States. According to press reports, the reduction appears to be 25 percent of Arab oil, or about 15 percent of all oil moving in international trade. The Arab nations are said to plan no further cuts because they fear retaliation: the denial of food and manufactured goods, not to mention military action by consuming countries (New York Times, 10 November 1973).

3. In the United States, the scarcity of gasoline and home heating oil is due primarily to a shortage of American refining capacity, which is not expected to be made up before about 1977. So long as capacity is inadequate, and there is little slack elsewhere in the world, product will be short even if crude oil is available without limit.

Arab crude oil imports have amounted to about one million barrels daily, and refined products made from Arab oil, "an amount difficult to estimate but possibly as much again," (Petroleum Press Service, November 1973, p. 405). Since part of the maximum two million barrels, out of a daily consumption of 17 million barrels, will be made up by increased imports from non-Arab sources diverted to the United States (a decision which depends to no small degree on American oil companies), the overall loss to this country is at most 12 percent. But the loss is not equally distributed. The main impact will fall on the East coast supply of residual fuel oil, used almost entirely by industry. About 35 percent of this supply is from refineries, mostly in the Caribbean, which run partly on Arab oil. Some uncertainly large fraction of this will be stopped.

4. The consuming nations are not without weapons of their own, once they realize they are confronted with what the Petroleum Minister of Saudi Arabia, Sheik Yamani, has rightly called "war" (Platt's Oilgram News Service, 22 February 1973). If united, they can refuse to supply food and manufactured goods to the nations committing the hostile act of embargo. The Soviet Union might find it difficult to make up the deficit, and the Arabs might well be unwilling to accept the resulting dependence. It would be more productive for consuming nations to confer on such counter-measures than to outdo each other in subservience which profits them nothing. ("Arabs don't have to police their own boycotts. Sycophant nations are doing it for them." (Wall Street Journal, 6 November 1973).

5. The threat to American oil usage may indeed have beneficial effects. As the President's message shows, the threat has awakened the country to the need for meeting the energy problems which would be upon us in any case within the next twenty years. It has alerted us to the profligacy with which we have been using energy to accomplish tasks of secondary importance. Conservation of energy has become a prime need in meeting both the short-run difficulties and the long-run growing scarcity, and with a reduction in energy usage will come a reduction in our serious problems of air pollution.

6. We express no opinions on the nature of any Middle East peace, or what the United States could or should do to bring it about. We do warn that letting our policy be determined or even influenced by the threat of injury is as futile as it is ignoble. Oil is a non-durable good. If to maintain the flow this year we accede to a course of action we would not otherwise desire, then it will follow as the night the day that we will be blackmailed again and again. The Japanese government has for years been among those most favorable to the Arabs, yet they have been denounced for their "odious neutrality" (New York Times 18 October 1973), and more was demanded: breaking relations with Israel, economic sanctions, and military aid to the Arabs (New York Times 9 November and 15 November 1973). The more is given, the more will be demanded.

Saudi Arabia will promise oil for next year in exchange for the "right" kind of peace, then make fresh demands for further oil the year after that. As Sheik Yamani said of the Teheran "agreement" in September, his government would have liked to honor the agreement but circumstances had changed (Middle East Economic Survey 7 September 1973). Circumstances will always change. And, as the Wall Street Journal warned last 26 April, giving in to blackmail on one issue in one part of the world invites blackmail on every issue in every part of the world. We hope our policy makers and our public will remember this and not be dazzled by the hope of some grand "settlement" which wraps up oil and politics in a neat looking package which will soon start to unravel and lean to endless confrontations.

The greatest service which the United States can render to friendly nations in Europe and Asia is not to let itself be swayed by this blackmail. For if the United States cannot be reached or influenced, then Europe and Asia are being tormented to no purpose, the Arabs have no motive to continue the cutbacks, and the usual money incentives to resume normal output will operate.

IDENTIFICATION OF STATEMENT SIGNERS

The following information about the signers of the statement on Oil Shortages and Middle-East Politics is provided for identification purposes only. No organization mentioned has taken any position on the issues discussed.

Kenneth J. Arrow: Professor of Economics, Harvard University; awarded Nobel Memorial Prize in Economic Science, 1972; President, American Economic Association.

Franklin M. Fisher: Professor of Economics, Massachusetts Institute of Technology; Editor, Econometrica.

John Kenneth Galbraith: Professor of Economics, Harvard University; Past President, American Economic Association.

Simon Kuznets: Professor Emeritus of Economics, Harvard University; awarded Nobel Memorial Prize in Economic Science, 1971; Past President, American Economic Association.

Wassily Leontief: Professor of Economics, Harvard University; awarded Nobel Memorial Prize in Economic Science, 1973; Past President, American Economic Association.

Merton J. Peck: Professor of Economics and Chairman of the Department of Economics, Yale University.

Paul A. Samuelson: Institute Professor of Economics, Massachusetts Institute of Technology; awarded Nobel Memorial Prize in Economic Science, 1970; Past President, American Economic Association.

Robert M. Solow: Institute Professor of Economics, Massachusetts Institute of Technology.

SPECIAL PROSECUTOR LEGISLATION

Mr. COOK. Mr. President, in yesterday's Washington Post there was an article by our colleague, Senator CHARLES PERCY, in which he discussed the relative merits of the Special Prosecutor legislation which the Senate will be considering later this week. The incisive comments found in this article should prove helpful to the Members of this body as we prepare for consideration of these very important proposals.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

lowance was designed for that purpose. If the depletion allowance tax loophole is not working, however, Congress should repeal it.

Another recommended approach is to permit gasoline filling stations to remain open only a few hours a day, or a few days a week. This simply means, however, that gasoline will go to whoever wins the race to the filling station, or to whoever is the closest friend of the dealer. Again it is not fair, and you do not need a very vivid imagination to visualize long lines of cars, stretched many times around the block, waiting to fill up. Such a chaotic solution should not be applied to a problem which requires foresight and planning, and will accomplish the goal of fair allocation with a minimum of redtape and as little interference with private lives as is possible.

We must take steps to see that the limited supplies of gasoline are allocated to everyone according to need. In the absence of such a program, it would not be long until commuters cannot get to work, thousands of motorists will be stranded on the highways, some that do not need gasoline will have it, and others that need it desperately would not be able to get it.

Accordingly, we must find a way to guarantee to each car owner as much gasoline as he may need, even though this may not be as much as he wants. The important thing is to protect everyone's right to receive his fair share. Every motorist must be guaranteed enough fuel to insure his livelihood. Perhaps he will not be able to drive to Las Vegas for a holiday, but he surely will be able to drive to and from work, and to his place of worship, and to stores to buy food and clothing and other goods or services necessary for a healthy and happy life.

The failure of the present administration to provide a fair and reasonable response to the fuel shortage is exceeded only by its failure to begin consideration of long-range solutions to the energy shortage. They did not even lift the quotas on oil imports until last April. Since the largest use of petroleum is represented by automobiles, I have proposed legislation to encourage the design and manufacture of more economical cars. If all the cars on American roads today were getting 20 or more miles per gallon, instead of 10 or 11 miles per gallon, then instead of an energy crisis, we would only have an energy problem. Coupled with fewer aircraft flights and a lowering of thermostats, smaller cars would result in no shortage at all, and we could still drive wherever we wanted to at normal speeds.

The American people do not want to live in a crisis atmosphere with all of the hardship and deprivation a crisis normally entails. They will not accept a program of energy conservation which favors some and places an intolerable burden on others. A gasoline guarantee will get us over the present crisis, but the duration of this crisis depends upon whether this administration is willing to stop mollycoddling giant oil industries and powerful financial interests, and take steps that will do the most good for the most people.

H.R. 10710—THE TRADE REFORM ACT OF 1973

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

Mr. BURKE of Massachusetts. Mr. Speaker, this bill should be defeated. The Congress cannot afford to encourage further erosion of America's industries, further losses of American skills and jobs, further inflationary pressures from mismanaged trade policies. This bill would encourage the President to take almost any action he chooses to encourage manufactured imports. It does not provide effective restraint or congressional oversight provisions to assure America's economic health. The bill limits the President's authority to take effective realistic action to help American industries, firms, and workers threatened with further injury. The bill fails to repair past damage or to direct attention to the new problems facing the United States at home and abroad.

This is not a reform bill. This bill would deform the U.S. economy even more by modifying and enlarging past grants of power to the President. One section of the bill seems to grant new long-term authority or to restrict power, but another section makes the authority immediate or could render the restrictions ineffective. The most specific restrictions on Presidential power curb his ability to give protection to U.S. industry at home. Congressional responsibility under the Constitution is undermined.

This is not a bill for the seventies, but a patched-up version of the Trade Expansion Act of 1962 and other statutes. The bill ignores the changes of the 1960's, when the United States became a net importer of many manufactured products and parts of products. The bill ignores the changes of the 1970's when the United States found itself with more imports than exports—a $6.4 billion deficit in trade in 1972. In 1972 imports rose even more rapidly than in 1971—up 21.9 percent. In the first 6 months of 1973, imports shot up even faster especially from the lowest wage countries of the world. Yet this bill would merely encourage more imports of manufactured products and parts of manufactured products. The United States suddenly finds it necessary to bid for raw materials and energy supplies.

The United States now imports the automobiles, steel, radios, and TV sets it once sent to the rest of the world. Shoe imports and textile and apparel imports have been joined by inrushes of computer parts, calculators, aircraft engines, and parts, as well as other product lines. This change has eroded America's industrial strengh and added costs to the economy in lost jobs and production of parts and whole products in almost every kind of manufacuring, from apparel to aerospace. These and other losses endanger service employment and the tax base of American communities and the American economy.

The United States now has a $100 billion balance-of-payments "overhang" held by foreigners and governments no longer anxious to use the American dollar for expansion. The U.S. Department of Commerce predicts a yearly $5 billion payments claim aside from imports and exports—deficits for tourism, investment, and other outflows of dollars.

The bill continues to follow the thinking of those who said a devalued dollar would "solve" America's problems. Now that the dollar has been under chronic attack and has been devalued many times, the inflationary results are clear to American consumers, producers, and employees. Imports cost more, but imports are often the only available choice for many manufactured products and parts. Imports of needed raw materials and energy cost more.

The dollar devaluation has also led to massive exports of American food and raw materials—scrap steel, cotton, logs, and so forth—which have pressed prices even higher for consumers in the grocery store and for business consumers in industrial markets for raw materials. The result has been to ask Americans to pay more and more and more to buy less and less—all in the name of "solving" problems.

Inflation now affects every level of American life, every type of industry. The international policies of the United States, fostered by this bill, would merely continue this destruction of the American standard of living. But this bill grants even more Presidential power to cause stop-and-go distortion of the U.S. economy at home—in the name of theoretical international economics or international benefits.

This is a bill that will weaken America's strength in technology and trade, in payments and prices, in commerce and consumerism.

The promises claimed for this bill are not borne out in its provisions. Imports from the lowest wage countries will be encouraged, while imports from developed countries also undercut U.S. production potentials. Endangered industries will have no assurance of repair of past injury or help to assure future strength. American communities will continue to suffer losses of needed payrolls. American workers get a hollow promise of a short-term dole when imports cost jobs, nothing when plants move out of the country.

The bill, in fact, does not even call attention to the real actors in the modern world of international trade and payments—the international banks and firms which dominate all international interchanges.

Each title of this bill deserves special dissent, because each title of this bill contains new hidden dangers for the United States.

Title I of the bill empowers the President to negotiate deeper tariff cuts than before. Cuts on high tariffs can be as high as 75 percent. America's tariffs are

so low on the average that other nations have insisted on this aproach. Thus the tariff-cutting authority is not for the interest of the United States, but for the interess of those who produce abroad.

The President may also raise tariffs to 50 percent above 1934 levels or 20 percent above present levels. But the bill's emphasis shows that this provision will not be used. The President need not listen to anyone's advice and the President's chief negotiator gets the power to advise the Congress and the President on all tariff and nontariff matters. The President may:

Negotiate on so-called nontariff barriers to trade among developed countries. Quotas, special tariff rules on chemicals and other products are at stake. But this new authority will also put American laws on safety and health, consumer protection and product standards, on the block whenever the President decides such negotiations are necessary. Congressional approval is required, but the restrictions are ineffective. Imports from the lowest wage, most highly protected countries of the world will therefore be encouraged;

Create chaos for American industry by immediate authority to regulate imports and exports for inflation and balance of payment reasons—not for other U.S. economic and social reasons. The grant of power to make changes for 150 days enables the President to have unplanned chaos in the name of fighting inflation: To flood the economy with imports or suddenly stop many imports;

Negotiate a new GATT, while spending more money to shore up the old GATT. Thus the negotiating authority is contradictory, unplanned and confusing. These provisions spell the abdication of congressional will and responsibility to the power of an unseen international negotiating clique.

These conflicting authorities—a stop-and-go power to regulate America from abroad for international economic reasons, regardless of the impact on the United States—add up to dangers for all Americans in 1973 and in the future.

Title II: These "import relief" provisions encourage imports, but discourage relief. These provisions restrict Presidential power to help American industries, firms, and workers injured by imports. The President is not required to provide help if imports are injuring U.S. industries. If the Tariff Commission finds that increased imports are a substantial cause of serious injury, the President may provide token "adjustment assistance," put on tariffs, quotas, tariff quotas, or negotiate orderly marketing agreements. But he need not take any specific helpful action. If he does decide to provide effective relief, he must explain his actions. If relief is granted it must be temporary and can be removed any time the President decides it is in the national interest to remove it. Adjustment assistance for workers is more difficult to get, because there must be a finding that the unemployment is "significant." There is a token dole for some workers, but the means of getting even this amount of help are full of technicalities. For firms, the promise of financial help is equally uncertain. But the promise to encourage more imports is made certain by requiring the President to phase out relief and prohibiting assurance of effective protection.

Title III: Existing laws against unfair competition are weakened. Unfair competition in the U.S. market is encouraged by limiting the President's power to retaliate against unfair restrictions abroad, and allowing the President 4-year authority to avoid any action on imports subsidized into the United States if he believes it will interfere with international negotiations. The provisions for U.S. action to prevent unfair competition are limited and weakened by this title. The President can avoid action on dumped, subsidized or otherwise assisted into the U.S. market. This title conflicts with titles I, IV, and V.

Title IV: Imports from the Soviet Union and other Communist countries will continue to rise rapidly under these provisions. While the bill restricts Presidential power to lower tariffs, it does not restrict Presidential power to extend loans to these countries to build factories behind their iron walls to produce for exports. Thus the American taxpayer will pay to build factories in Russia and other Communist countries.

Title V: The President would have power to decide which countries of the world—with certain specific exemptions—are "developing" countries and give them special privileges to export to the United States. He may set tariffs at zero for imports from those countries. There are restrictions on this power, but the President can decide it is in the national interest not to use them. These countries include the lowest wage countries of the world, with the highest barriers to trade. This provision will cause massive imports from the low-wage countries to increase even more rapidly. This provision contradicts the provisions which call for equal treatment for all countries and talk about an "open" world trading system. This title makes a mockery of provisions for "import relief," ending foreign trade and nontariff barriers, meeting "unfair" competition.

The 5-year grant of power to the President to negotiate new trade agreements regardless of the effect on the economy and social progress of the United States is almost without effective limit in this bill. This extreme grant of power is not in keeping with the Con- on many nontrade laws will be secret and their implementation can take place without clear information or sufficient oversight by the Congress. This undermines the purpose of the Congress to make laws for the United States.

The immediate power granted to the President enables him to change the conditions of the economy for any reason he chooses—"anti-inflation," balance of payments, and future renegotiations with other countries. This immediate power granted to the President will encourage even more imports into the United States regardless of the effect on U.S. economy, and without clearly enforceable restraints on Presidential power to encourage imports.

Another reason which compels me to vote against this bill is the failure of the drafters to provide for a fair and equitable distribution of imported crude oil and other energy products. The refusal of the administration to even consider provisions providing for a meaningful energy related import program will be costly to the Northeast and the Midwest sectors of the country.

Most of all, this is a special interest bill. The special privileges are for those few Americans at the top and for anyone—American or foreign—whose production, investments, and other economic interests are outside the boundaries of the United States. Under this bill these special interests take precedence over the right of any American to have a business, a job, or buy a product labeled and priced under the American system in the United States. Foreign production and exports to the United States, therefore, get double protection: First, the protection of foreign governments including their many traditional trade barriers and new regulations that protect their markets and their economies; second, the protection of the U.S. Government which is encouraged to guarantee their rights from abroad and to remove even the few barriers remaining in the United States. The U.S. economy, businessman, industry, and worker will have no guarantee, only a token hope of short-term protection, no assurance of any right, except the right to "adjust" out of the country or into another line of work or to unemployment. This is a bill against the interests of the majority of the people of the United States. The Congress is elected to defend their interests. The Congress should defeat this bill.

DICK GREGORY DAY IN CHICAGO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE), is recognized for 15 minutes.

Mr. METCALFE. Mr. Speaker, last Sunday, December 2, thousands of people were at Chicago's Orchestra Hall to pay tribute to a truly remarkable man. Dick Gregory—humorist and social activist—has done much for Chicago and for this country. From the hardships and degradation of growing up poor and black, he has risen to become one of the few symbols of honesty, integrity, and sincere social concern left in this country.

I have known and worked closely with Dick for many years. Dick has been deeply involved in the fight against racial injustice, not only in Chicago but also throughout the country. He has been in the forefront of the struggle for decent living conditions and adequate jobs for my constitutents and for all of Chicago's less fortunate citizens. He has given his time and talents to numerous Chicago organizations, including a benefit performance for my Third Ward Organization. Our relationship has been a warm and rewarding one, and I am deeply proud and honored to call him my friend.

Dick Gregory is a man who has never let love for money override his love for people. He is a man who has never become so successful that he has forgotten to work for the betterment of all people.

But I call to the attention of my friends in the House that we did close this loophole—and the gentleman from Ohio was on the committee—effective July 25, 1969. The provision in the tax law that permits, as a deduction, the gift of historic papers such as was the case in Mr. Nixon's tax returns for those years, has already been remedied by the 1969 Tax Reform Act.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 638]

Abdnor	Fish	Mills, Ark.
Archer	Fisher	Mitchell, Md.
Armstrong	Flowers	Murphy, N.Y.
Ashley	Giaimo	Reid
Aspin	Goldwater	Rhodes
Barrett	Grasso	Roncalio, Wyo.
Bell	Gray	Roncallo, N.Y.
Bergland	Gubser	Rooney, N.Y.
Buchanan	Hanrahan	Rousselot
Burke, Calif.	Harsha	St Germain
Byron	Hébert	Scherle
Carey, N.Y.	Henderson	Staggers
Cederberg	Hogan	Stokes
Chisholm	Holifield	Stuckey
Clark	Hunt	Symms
Conyers	Jarman	Veysey
Dent	Keating	Waggonner
Diggs	Kemp	Walsh
Donohue	Kluczynski	Wampler
Dorn	Kuykendall	Widnall
Dulski	Lent	Wolff
du Pont	McEwen	Wyatt
Edwards, Ala.	McSpadden	Wydler
Erlenborn	Madden	Young, Ill.
Esch	Martin, N.C.	Zwach
Eshleman	Melcher	

The SPEAKER. On this rollcall 355 Members have recorded their presence by electronic device, a quorum.

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

PROVIDING FOR CONSIDERATION OF H.R. 10710, TRADE REFORM ACT OF 1973

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 657 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 657

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed seven hours, six hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, and one hour to be controlled by Representative John Dent, of Pennsylvania, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, an amendment offered to section 402 of said bill containing the text printed on pages H9106–9107 of the Congressional Record of October 16, 1973, an amendment proposing to strike out title IV of said bill and an amendment proposing to strike out title V of said bill, and said amendments shall be in order, any rule of the House to the contrary notwithstanding, but shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

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

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

Mr. PEPPER. Mr. Speaker, this rule provides a modified closed rule for 7 hours of general debate on the bill H.R. 10710 entitled "The Trade Reform Act of 1973." There will be 6 hours of general debate, which will be equally controlled and divided between the chairman of the Committee on Ways and Means, and the ranking member of that committee.

This bill contains a bit of an exception to the usual rule in that there will be 1 hour of debate under the control of the gentleman from Pennsylvania (Mr. DENT).

Mr. Speaker, the rule, as I said, is a modified closed rule. No amendments are in order to the rule except in four instances:

First, any amendments offered by the Committee on Ways and Means. Second, the so-called Vanik amendment, having to do with the extension of credit to nations who do not meet certain criteria. Third, an amendment to strike title IV of the bill and, fourth, an amendment to strike title V of the bill.

Other than those four permissable amendments the bill is a closed rule as reported by the Committee on Rules.

Mr. Speaker, this bill is, as I said, known as the Trade Reform Act of 1973, and in title I contains authority subject to clearly defined limitations for the President to enter into and negotiate tariffs. In other words, the President's authority, which is under the constant surveillance of the Congress, is to enter into negotiations with other nations in respect to tariffs and other matters, including nontariff impediments with the United States. Title II is intended to protect business and employees in the United States who might suffer adverse effects from the exercise of the authority granted the President under this bill. The showing will be made to the Tariff Commission by the employees or businesses believed to be injured under the exercise of the authority of this bill.

In title III the President is given authority to deal with instances that he finds exists wherein discriminatory trade practices or policies are asserted against the United States by other nations of the world. And, fourth, the bill gives the President authority, acting on behalf of the United States or in concert with other developed nations to grant trade preferences to the underdeveloped nations of the world in order to encourage the development and the economy of those countries.

There are many who think that this is far-reaching legislation which will be important to the benefit of industry, the consumers, and the trade of the United States, and which will serve to materially reduce the unfavorable trade balances which our country has had for a considerable time.

I am aware of the fact, as is the distinguished Committee on Ways and Means, that there is objection to this bill, but may I ask of our colleagues that if they are opposed to the bill that they express those objections when the bill is before the House for consideration.

I do hope, and I think all of the Members agree that it is the only fair thing, that the House will adopt the rule and allow the House to work its will upon this measure, when full debate has been had and a full opportunity for discussion and consideration of the measure has been had by the Members of the House.

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

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

Mr. GROSS. I thank the gentleman for yielding.

I should like to ask the gentleman: One of three amendments the gentleman stated will be offered by the gentleman from Ohio (Mr. VANIK). Who are the other two privileged individuals of the House who have been singled out to offer amendments?

Mr. PEPPER. As to the other two individuals who will offer motions to strike section 4 and section 5, I will ask the chairman, the gentleman from Oregon (Mr. ULLMAN) or the gentleman from Florida (Mr. GIBBONS) on behalf of the committee if they wish to respond. We were advised in the Rules Committee that there were those who wished to offer amendments to strike section 4 and to strike section 5, and we made those in order.

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

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

Mr. ULLMAN. I thank the gentleman for yielding.

The committee had no intention of offering those motions, but the rule allows them to be made by any Member of the House. The committee feels the House should work its will on this.

Mr. GROSS. If the gentleman will yield, I still wonder who the other two privileged individuals are that they should be singled out to offer amendments.

Mr. ULLMAN. If the gentleman would yield, the committee will not offer these motions, but we think that the House might want to work its will on those amendments, and if any Member—in-

cluding the gentleman—wants to offer an amendment, the rule provides that he be recognized.

Mr. GROSS. If the gentleman will yield further, do I understand that the committee did not ask for this kind of rule?

Mr. ULLMAN. It was the feeling of the committee, if the gentleman will yield, that those two sections are far-reaching in their own way. We feel they are important, but if the House has objections, we asked for a rule that would provide for any Member to be given an opportunity to strike these sections.

Mr. GROSS. If the gentleman will yield further, will we be given an opportunity to vote the amendments up or down? Will we have that right under the rule?

Mr. ULLMAN. Yes. If the gentleman makes the motion, he certainly will.

Mr. GROSS. I am glad we were not excluded from voting.

Mr. PEPPER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. SEIBERLING).

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

I should like to ask the gentleman from Oregon some questions that I think have a bearing on whether we ought to vote this rule or whether we ought to recommend that the committee resume its hearings and deliberations on the vital subject of international trade.

The committee's report on the bill states that the bill is presented to us at this time because it is high time, in the light of changed conditions, to rework our international trade policies. One of the things that bothers me about this is that there is at stake a lot more than just renegotiating trade restrictions. For example, you cannot develop a comprehensive trade policy unless you decide what you are going to do about tax preferences and other benefits which our laws now give to foreign investment. Specifically, our laws allow a deferral of tax on foreign-source income. Our laws allow the Overseas Private Investment Corporation—OPIC—to grant guarantees to businesses investing abroad. Our tariff laws allow American firms to assemble abroad parts manufactured in this country and bring them back at lower tariff rates.

Then we have the whole question of the energy crisis, which broke wide open after the hearings and markups of this bill. The economic circumstances existing when this bill was written have radically changed some of the undoubtedly basic premisses on which this bill was drafted are no longer valid.

For example, we have assumed that the critical barriers to trade were primarily artificial barriers in a world economy of abundance. Yet we now find ourselves heading into a worldwide scarcity of the most basic commodities—food, oil, and other essential materials. We do need to eliminate obstacles to an expanding world trade. But this bill only addresses itself to one class of obstacles.

We need to know what the committee thinks our legislative policy should be in the world energy shortage. We cannot separate this from general trade policy, for example, should our tax laws continue indiscriminate granting of oil depletion allowances and similar tax advantages for investment in foreign oil fields or should they be limited to cases where the President determines it is in accordance with our national interest?

I could go on at great length. What assurance do we have from the Committee on Ways and Means that these questions are going to be taken up and decided and integrated with the approach of this bill so that we are not acting in a piecemeal fashion but have some picture of the whole foreign trade and investment package the gentlemen have in mind?

Mr. ULLMAN. Mr. Speaker, if the gentleman from Florida will yield, I will state to the gentleman that the Committee on Ways and Means is greatly concerned about all matters mentioned by the gentleman from Ohio. The matter of energy will certainly be taken up, if it involves taxes, at a very early time, as soon as we get a proposal.

There is already a task group of the Ways and Means Committee working on the matter and we will be ready when the report comes from downtown.

The other matters the gentleman referred to are matters that involve tax reform and that will be thoroughly considered as early in the year as we can get a tax reform bill to the Congress.

Mr. SEIBERLING. Should this not all be done as a package instead of having us acting in the dark on trade legislation without knowing what the tax legislation will be?

Mr. ULLMAN. It will be in a package in the tax reform bill when it comes and it will be fully discussed and considered. The Ways and Means Committee intends to deal very comprehensively with this whole question of tax reform.

Mr. PEPPER. I yield 5 minutes to the gentleman from Minnesota (Mr. KARTH).

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

Mr. KARTH. Mr. Speaker, the trade bill is the most major national policy legislative matter to come before the Congress in this session. In fact, it is one of the major legislative proposals of the last 10 years.

It is not a perfect bill.

I know of no major legislative matter during my 15 years in Congress that has been perfect. I doubt seriously anyone would challenge that.

To make a major piece of legislation "perfect," that is perfect in the minds of each of us, we would perhaps find it necessary to pass 435 different bills on each major issue. We all know that cannot be done.

There are those outside the Congress who feel the same way—that this is not a perfect piece of legislation. There are degrees of variation both in opposition to and in favor of the bill.

Take Mr. Meany's opposition for example. He sees nothing good in this bill.

He has that right.

He favors the highly protectionist-isolationist Burke-Hartke bill.

Again, he has that right.

On the other hand we have the right, yes even the duty of looking beyond one's position. We have the responsibility of asking why people either favor or oppose this and every other bill. When that is done, we find that most organized groups often times favor or oppose legislation for what are largely parocial reasons.

There is nothing suspect about that. That is the way our system works. Mr. Meany is no exception to this common rule.

Mr. Meany is a politician. In fact, I would say he is a super-politician. He has been there a long time. To stay president of the AFL-CIO for any extended period of time such as Mr. Meany has—particularly during a period in our history when politics has been the name-of-the-game requires extraordinary political senses.

I might even suggest that Mr. Meany is a better politician than any Member of this body. Fourteen million voters is a large constituency.

Mr. Meany is elected to his job, too. Not quite as often as you and I, but he is elected.

He knows how to get elected and re-elected again and again.

He undoubtedly feels it is his duty to represent many different international union affiliates.

He has done a masterful political job of representing all of them.

It is no secret. There are some international unions who oppose this bill. They oppose it for what they consider to be excellent personal reasons.

The shoe workers union, the textile workers, steel, and some others.

They oppose it because imports are highly competitive with the products their members produce.

There is nothing wrong with that. If the contrary were true I would be most surprised. The officers of those unions are representing their members, plain and simple.

Mr. Meany represents them too. All of them.

Just like the officers of giant U.S. corporations represent their major stockholders.

More often than not, the national interest may be beyond their concern. Beyond their scope of first interest. It is perfectly normal and to be expected for they too are elected by their peers—the stockholders.

We on the other hand have a responsibility far in excess of that. We must look toward the best interests of our country—the national interest.

In this trade bill our national interest is vitally involved. About 6 percent of our GNP is due to foreign imports. Ninety four percent is not.

It has been said an incalculable number of times that trade—not aid—is the common denominator that cements international relations more concretely than anything else. This is particularly true in cases where countries share a common objective—a common political and ideological philosophy.

We should not write a trade bill that is designed in the short run to exclusively benefit the United States alone and at the expense of our trading partners. Anyone in his right mind knows

that would be the end of international commerce.

No country, including ours, can be expected to sign an agreement that will benefit everyone except their own nationals, their own country.

A trade bill must be written so as to provide an equal opportunity for all partners in trade to benefit together.

I think this bill does that.

Of course this bill gives broad and flexible powers to the Executive.

The only way that can be avoided is for Congress itself to negotiate the international trade agreements.

But the Constitution prohibits that.

Legislative bodies of other countries will not be negotiating the trade agreements either.

One cannot expect—because it is impossible to expect—that the Executive can negotiate a detailed trade agreement without giving the Executive flexibility and authority to negotiate and move broadly in many directions simultaneously.

It cannot be done otherwise.

Yet there are enough protections in this bill to guard against either Executive incompetence or superior ability of the opposition. Let me briefly cover an import aspect or two of this bill.

The bill covers areas of both U.S. industrial product and agricultural product interests never before in a trade bill.

Nontariff barriers today constitute greater impediments to international fair trade than tariffs do.

This bill, for the first time, directs the President to give U.S. attention to nontariff barriers.

This is extremely important. Since tariffs have been set by previous agreements, nontariff barriers have been substituted.

These impediments to fair trade have grown over the past few years to unexpected and unacceptable proportions.

It was the judgment of the committee that the only effective way to eliminate these trade distortions would be to reduce the broad industrial and agricultural commodities to product sectors.

Heretofore and too often, the elimination of an unfair trade impediment on an agricultural product could be traded for one on an industrial product and vice versa.

It is the committee's intent that this kind of cross sectoral horse trading be discontinued and disallowed.

Whatever those product sectors are determined to be, the negotiations on eliminating the nontariff barriers should then be confined to those sectors. This should assure equity of access of U.S. exported products to foreign markets. The results of negotiations on these matters must be returned to Congress for approval.

This section also provides an alternative approach. If nontariff barriers cannot be eliminated directly, they can be converted into a rate of duty affording substantially equivalent tariff protection. This tariff in turn can be reduced in part or in total, but must be submitted to Congress with a clear statement of the proposed reductions accompanied by a tariff commission report on the rates of duty which afford substantially equivalent protection to the trade barrier of the United States which is being converted.

Let me turn briefly now to the General Agreement on Tariffs and Trade.

Under existing law we must live by the rules of GATT—rules that have grown to be favorable to the European Community countries—rules that are favorable to them because they have been modified over a period of time by the majority—the European countries. This bill grants authority to negotiate international labor standards, labor conditions, and tax structures, like the value-added tax of some member countries, many of which can be considered nontariff barriers.

To my knowledge no previous trade law has ever directed the President to negotiate a change in GATT rules. Rules that should be fair, and provide equity for all in the field of international commerce. This bill does.

It also provides authority to restrict imports if our balance of payments require it.

Conversely it gives authority to suspend import barriers to restrain inflation, but not if such action would cause or contribute to material injury of firms or workers in any domestic industry, or be contrary to the national interest. It provides for a meaningful economic assistance program to firms and employees alike if they are injured, or if there is a serious threat of injury due to imports.

All trade agreements reached have a three termination or withdrawal date.

Again I say this may not be a perfect bill. It may well be desirable for the other body to make some changes.

I think they may find it desirable and reasonable to amend the definitions clause so as to provide uniformity of application to firms and employees alike. They may choose to tighten some other areas of the bill. But when the final vote is taken we should pass this bill, send it to the Senate and give them the opportunity of doing so.

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. DENT).

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

Mr. DENT. Mr. Speaker and Members, I am hoping later to be able to give more detailed reasons and arguments for the opposition to this legislation and the rule.

One thing I would like to call attention to is that during my lifetime Mr. Meany has always given support, not only to the rule, but also the legislation, but in this case, he has opposed supporting this legislation as I have.

All of a sudden, because he now speaks against this bill, he is supposed to be some kind of slick politician, some kind of wiley change has been made in his character. When he supported this bill he was a statesman, now he is supposed to be a villain. Let me tell the Members what made the change. If we were consuming today the same percentage of American made goods that we were consuming today the same percent the ill-fated Kennedy Round in 1962, we would need at this moment 15 million American jobs.

That is the only premise I have made, to protect American jobs. If this is such a great success, and the Members realize this goes even further than the Kennedy Round ever attempted to go, and yet during the 10 years of the Kennedy Round, during those 10 years we have dropped from a $43 billion American credit overseas to $108 billion debit.

We cannot do that if our trade balance is right. We cannot do that if we are winning at the poker table. The only way we can owe money is if we are losing at the poker table. We have apparently a deceitful present disregard for ourselves, our people and our country.

Let me tell the Members why this bill is coming up today. Because, ladies and gentlemen, the labor movement for the first time in its history since 1926 has decided that free trade is not good for the American people. It is not good for American enterprise. It is not good for American labor and it is not good for the American Congress. Labor has not been able to prepare a fight. It was told this bill would not come until next year. Yet, here we are, where none of us, I believe, have taken 5 minutes to study the results of 10 years of Kennedy and we are marching headlong, precipitously, into 10 years of Nixon.

Let me tell the Members of the House that it does not matter who is occupying the top position of the Presidency of the United States; it is what we are doing to the American people. Sixteen million on relief, 14 million drawing food stamps, 7,695,000 drawing unemployment compensation checks as of the first week in July, 30 million on public so-called social security. Millions more on pensions—all nonproducers in our economy.

Where are we going? What can we do? Oh, I know there will be answers given time and time again. They will give us answers, but they cannot answer this; none of them can answer this: How come, if this is such a great, wonderful, public give away and peacemaker, we have had war every year since it passed in 1962, we have had unemployment growing week after week and have had a great deal of sacrifice we never had before?

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

Mr. PEPPER. Mr. Speaker, I am sorry that I do not have the time to yield further to the gentleman from Pennsylvania.

Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. LANDRUM).

Mr. LANDRUM. Mr. Speaker, I support this rule and I support the bill which the rule makes in order. As my friend from Minnesota (Mr. KARTH) has stated, it is not a perfect bill, but it is the very best bill we could produce in the committee. I commend him for his efforts in producing what is here. Without his efforts, we would not have what we do have.

Mr. Speaker, I would say to the Members from my region of the country which is concerned primarily with raw agricultural products and textiles that it

is imperative that we have this rule and have this bill. Our negotiators today are in Geneva trying to negotiate a renewal of the long-term cotton agreement that expired in September. They are hoping to get into a renewal agreement an understanding that will include man-made fibers as well as cotton, and unless we have this, the textile industry, the agricultural industry, and the more than 2 million employees in the apparel and textile industry are going to suffer a serious setback.

Mr. Speaker, I urge support of the rule.

Mr. PEPPER. Mr. Speaker, I yield 2 minutes to the able gentleman from California (Mr. HANNA).

Mr. HANNA. Mr. Speaker, I rise in opposition to the rule for consideration of the Trade Reform Act of 1973. My reasons for this opposition are twofold. First, I consider this an inappropriate and impolitic time for this branch of Congress to undertake debate on this legislation. Second, on the merits themselves, the terms of the proposed rule are unsatisfactory and unacceptable for dealing with this complex bill.

The delicacy of the present international situation is obvious. Never has there been a greater flurry of international activity since the developments leading to an agreement in Vietnam. It was because of the delicacy of the international situation that President Nixon originally asked a month ago that consideration of this legislation be postponed. It is difficult to see what has changed during the course of this past month to make consideration of the trade bill more timely now. The truce in the Middle East is a temporary and tenuous one, filled with threats of a renewed war. Frantic efforts contrive now, to save the December 18 Geneva Conference—among the most critical set of peace negotiations in recent memory. Secretary of State Kissinger is right now engaged in difficult talks with our Atlantic neighbors, with whom the fabric of alliance wears ever thinner.

Only 1 month ago, we recognized the impolitic timing of consideration of the trade bill. If our judgment was legitimate and valid at that time, then we only need look around us to see that the same judgment is as legitimate and valid now.

Not only is consideration of this legislation unstatesmanlike in terms of this country's international situation, but it is impolitic in terms of what this Chamber's contribution to trade policy should be. President Nixon's obvious strategy is to entirely discount in his international representations this body's decisions adverse to his position, on the assumption that those provisions can be changed before the bill is enacted into law.

This posture at this time not only makes the House of Representatives look foolish, but it hardly presents a united front during a delicate international period. The position of the House will be discounted by the President, the President's position will be different than ours, and the Senate's view will be unknown. Can anyone seriously argue that this kind of disunity will strengthen America's negotiating posture in trade talks and other international conferences?

Mr. Speaker, these serious risks to the respect for this Chamber, to the unity of our negotiating posture, and to the delicate balance of interests which must be maintained during this international period are not justified by any necessity for swift action. If the Senate gives this bill the kind of sober and deliberate consideration which it demands, then it is virtually impossible that a trade bill can be enacted into law any time soon. The argument that House action is now imperative to give the President the negotiating authority he needs is therefore fallacious—for our action alone simply will not give him that authority.

Under these circumstances, Mr. Speaker, it is unjustified that the House consider this difficult and historic legislation during the end-of-the-year rush. There is clearly more critical business before us which must be acted upon—emergency assistance to Israel, the creation of an independent Special Prosecutor, a package of crucial energy bills, and remaining appropriations measures. With only 2 weeks left in this session, our energies and attention obviously will and should be focused where they have to be focused. And yet, there is no bill pending before the Congress that will have more long-range importance than the trade bill. In short, Mr. Speaker, we are all placed in the impossible situation of considering this important legislation without the undistracted attention which it most certainly deserves.

Even if this were an appropriate time to consider the trade bill, Mr. Speaker, the rule which has been provided to us would be unacceptable. I am familiar and sympathetic with those arguments that this bill should provide a broad policy framework and should not be threatened by amendments relating to specific industries, interests, or countries. I would wholeheartedly support a rule which excluded those types of amendments. But this rule goes much further.

It takes out of the hands of every Member of the House, other than those on the Ways and Means Committee, the opportunity for making positive contributions to the broad policy framework we are being asked to ratify.

The various provisions of this bill are not as interrelated as those in a traditional tax measure. Negotiating authority for nontariff barriers is analytically distinct from that for tariffs. Trade preferences for less developed countries is a subject analytically distinct from negotiation of nontariff barriers with advanced nations. And most-favored nation status for Communist countries is obviously an entirely different matter from trade preferences for less developed nations. Can anyone say with sound justification that the provisions of this bill are more interrelated than those of the Budget and Impoundment Act, or of an appropriations bill, or of the defense authorization bill? No, Mr. Speaker, tradition, not reason, is the basis for this rule. History, not sound policy, is the midwife of these limitations on debate.

For example, Mr. Speaker, there is the overriding question of the balance of authority between the President and Congress. During this Session, we have grappled with this question on several occasions—the war in Vietnam, war powers generally, budget control and anti-impoundment measures, and so on. Never once were amendments related to Presidential and congressional authority foreclosed. Yet, perhaps, the broadest sweep of authority yet granted the President—that related to the negotiation of nontariff barriers—is contained in this bill. Under this provision, the President may negotiate away present laws related to product safety, consumer protection, environmental standards and other domestic safeguards. I find it difficult to see how any fair-minded Member of this Chamber could honestly maintain that the full House is incompetent to consider under an open rule the proper role for congressional oversight of this process.

To be sure, the provisions for legislative veto and consultation make some provision for congressional oversight. But that provision is inadequate. The contribution of the House of Representatives, Mr. Speaker, has always derived from its power to prevent proposals from becoming law, unless it approved.

The legislative veto technique has been used only in exceptional circumstances—where the issue was rather straightforward, such as an impoundment, or where the issue involved certain inherent Executive powers, such as warmaking or reorganization. But to use the legislative veto as the major oversight technique where the entire fabric of domestic legislation may be threatened is simply unacceptable. These trade agreements will inevitably place those of us who favor liberalized trade in the impossible position of voting against an international protocol or voting against necessary domestic legislation. Our opportunity to suggest an accommodation of competing interests will be foreclosed.

As we enter ever more definitely into a period of increased international trade, we must confront this issue of Executive power straightforwardly. We must decide whether our constitutional system demands that trading partners understand that internationally negotiated agreements are subject to the approval of Congress—as we recently did with regard to world financial institutions—or, we must candidly concede greater powers to the President than we ever have before. We simply cannot have it both ways. With this kind of fundamental issue at stake, Mr. Speaker, I simply do not understand how it is justifiable to close off the catalyst to really meaningful debate which would be provided by the offer of a procedural amendment to this nontariff barrier provision.

Mr. Speaker, there are other problems with this bill. It continues, with admittedly progressive changes, the past policy separately from the policies related to domestic industries involved in trade. Rather than an escape clause provision, for example, for those industries affected by imports, we should have a sector-by-sector industrial policy from which the trade policy for each industry flows.

These questions of fundamental policy are hardly the same thing as the "Christmas-tree" provisions which ad-

vocates of trade negotiations are afraid of. But even though issues of fundamental national policy are admitted by all to be different from possible special interest amendments, they are treated the same way under the rule before us. I submit, Mr. Speaker, that we have the time to reject this rule in favor of different terms of consideration next session.

Mr. Speaker, the House of Representatives is designed to be a great deliberative assembly. Any limitations on deliberations can only be justified by overriding and compelling necessity. When limitations are proposed with no necessity offered as justification, the limitations are artificial and high-handed. Our efforts at reform of Congress are meaningless if we allow this practice to continue. Truly liberalized trade can only come as a result of free debate. I urge all of my colleagues who favor reform and free trade to show the consistency of their positions by voting against this rule.

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

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

Mr. LATTA. Mr. Speaker, I support the rule and I support the bill. However, I, like the gentleman from California (Mr. HANNA) who just spoke, think the timing is bad.

I do not think this is the most opportune time to bring up this legislation. In view of the delicate situation in the Middle East and our desire for a better understanding with all nations of the world, I think this legislation could well have been put off until after the first of the year. Certainly it will not soon be passed by the other body. I think the timing is bad, even though I support the rule and support the bill.

Let me just say one thing about the rule. It is a precedent-shattering piece of workmanship by the Committee on Rules. The Members will note that it provides for 7 hours of debate, 6 hours to be equally divided between the majority and the minority, and 1 hour to be given to our beloved friend, the gentleman from Pennsylvania (Mr. DENT).

Now, even though I like the gentleman from Pennsylvania and wish to accommodate him whenever possible, I hope that we do not do the like of this in the future. I just do not think this is the way to legislate.

Nevertheless, a majority of the members of the Committee on Rules thought they should do this, and it was done. I hope, however, this does not set a precedent for the future. We have 435 Members sitting in this body, and if we start designating individuals to have certain time unto themselves, then we are heading in the wrong direction if we truly want to preserve some semblance of free and open debate in the House.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield to me?

Mr. LATTA. I will be happy to yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, can the gentleman shed any light as to the reason why one individual Member was chosen for this favored position over the rest of us in this Chamber?

Mr. LATTA. Well, the gentleman is a very delightful individual, and he is very convincing. He always make a good argument, and he just persuaded a majority of the Committee on Rules to give him an hour.

Let me say, Mr. Speaker, as far as the bill is concerned, I think it heads this country in the right direction. I think it gives to the President of the United States the bargaining authority he needs to cope with our complex trade problems. We have to realize that most of the countries of the world have been outtrading us. They have in many instances been boycotting our products while filling our country to the brim with their products. They get around using our products in other countries by various and devious means.

They impose x amount of duty on the surface and then below the surface they add more hidden taxes and other barriers then you can imagine.

I am hopeful when they start negotiating they will look behind some of these duties and see how badly we are being dealt with around the world. Yes, I must add some of our good allies to this list. All you have to do is to travel outside the United States and see how very few American-made automobiles are being driven. On the other hand, drive down the streets of Washington and you can quickly get some idea as to how many foreign-made automobiles are being imported to the United States. Why? Why can we not get a better trading arrangement with these countries importing their products? There are a good many American workmen involved in producing an automobile. I think it is high time that we gave the President authority to sit down with these countries and insist on a better trading arrangement.

Although there are no quotas being established in this bill, I think it is important that we not establish something in this legislation as a matter of law which would bring about retaliation by other nations.

What we are saying to them is, treat us fairly, and we will treat you fairly. That is all we ask.

I think in the past we have been going too far in protecting the best interests of our trading partners. It is high time we started looking after American interests. The authority given in this legislation to the President of the United States would do exactly that.

Mr. Speaker, much can be said about this legislation and I am sure it will be discussed in depth. I think it is worthy of our consideration. I know that there is objection by some of organized labor to it, but I hasten to point out that two of the largest unions are listed in favor of it—the Electrical Workers of America and the UAW, two of the largest unions, appeared before the Ways and Means Committee in support of it. Hence, all of organized labor is not opposed to it as some would have us believe.

I think this rule should be adopted and the House should discuss the legislation.

Unfortunately, trade legislation is very delicate and complicated legislation and should never be debated under an open rule. Back in 1930 the Smoot-Hawley Tariff Act was passed under an open rule, and it was one of the worst pieces of tariff legislation ever passed. We do not want to repeat that mistake here today.

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

(Mr. MARTIN of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. MARTIN of Nebraska. Mr. Speaker, I rise in uspport of this rule on H.R. 10710, the Trade Reform Act. The Trade Expansion Act of 1962, which gave the President broad powers in negotiating trade agreements with other countries expired in 1967. In view of the growing economic power of the common market nations Japan, Russia and the People's Republic of China in world trade, it is essential that the President again be given authority to negotiate trade agreements.

The rule granted on this bill is a good rule. To consider this legislation, Mr. Speaker, under an open rule would lead to a Christmas tree piece of legislation. The last time, I believe, that we had an open rule on a trade bill was in 1930 when the Smoot-Hawley bill was considered on the floor of the House. Debate went on for days and the bill ended up a hodgepodge of irresponsible provisions. To open this bill on this complex subject to any amendment would result in a chaotic situation on the floor of the House.

Foreign policy cannot be conducted by 535 Members of the Congress. It must be conducted under the leadership and guidance of the President.

If the experiences of the 1930's have taught us anything, it is that a unilateral type of action with regard to protectionist foreign trade policy which we attempted then, has led us only to a downward spiral affecting the economies of all nations. Certainly I recognize the need to protect American industry and American jobs from being flooded by foreign imports.

Certainly I recognize the need to protect American industry and American jobs when flooded by foreign imports. This is precisely what this bill does in a balanced, moderate fashion. But I would remind those who advocate unilateral quotas on imports and imposition of export controls that the United States is not immune to retaliation by foreign countries, and when we embark upon a purely selfish course, neither the American worker whose welfare we invoke for the short-sighted policy would benefit, nor would the nation as a whole or the international economy.

The bill we have before us will permit the Government of the United States to move in tandem on the monetary and trade negotiations. The monetary negotiations are already underway. The trade negotiations have begun, but cannot get down to serious bargaining until the legislation before us is passed.

There are dangers in not entering into trade negotiations now. There is too much to lose. The trading system is changing as time passes, in ways which few, if any, in this body would find acceptable. If we stand still the United States will be unable to take decisive action to give shape to how the trading system evolves. The discrimination will

grow. If we want to see the development of an open, nondiscriminatory and fair world economic system, we must act now to give our negotiators the go-ahead that they require.

Let me finish by saying that on a measure of this kind a vote against the rule is a vote against the bill. It is for these reasons that I support the rule allowing for consideration of H.R. 10710.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

(Mr. ANDERSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, hopes ran high at the beginning of this year that 1973 would prove to be a critical juncture, perhaps a turning-point, for U.S. international economic policy. To be sure, this country has been awash with grave warnings about the "trade crisis" for a number of years now. But other than the dramatic moves of President Nixon during the last 6 months of 1971, few concrete actions or policy decisions have been forthcoming. The hoped for momentum this year never materialized. Though the administration proposal came forth in April, no hearings whatsoever have been conducted in the other body. Furthermore, even though the Ways and Means Committee took the only action in Congress and reported a bill in October, fear that its consideration by the full House would imperil the cease-fire in the Middle East forced three postponements.

But finally the Trade Reform Act of 1973 has come to the floor, and with it has come the opportunity to move substantially closer to resolving the growing national dissensus over the future direction of our international economic policy. On the basis of recent economic indicators, to forego that opportunity at this time may well mean to forego the most favorable climate for beneficial trade adjustments in this decade.

As we all know, the positive adjustments—as far as the United States is concerned—expected to flow from the Smithsonian agreement of December 1971, have taken longer to work their way through the complex international economy than many of us expected. The result was a trade balance that deteriorated in 1972 for a second year in a row, falling to a deficit of more than $6 billion. But in the third quarter statistical reporting period, from July to September 1973, the Commerce Department's merchandise account—the balance of trade—reported a surplus of $783 million. Though the size of the surplus is small, it is not negligible, and more important, it represents the first surplus since early 1971. Many economists predict, furthermore, that we can expect a surplus in the fourth quarter long enough to ring up a surplus for the year.

In other words, as a result of the dollar devaluations begun in 1971, U.S. produced commodities are more competitive in international markets than at any time in the past 4 years. Hence, they are in the best position in this decade to take advantage of reduced tariff and nontariff barriers. Indeed, if international trade were free of government constraints at this time, and if the marketplace was free to determine the flow of trade, the United States could be reaping the benefits.

As you know, Mr. Speaker, the avowed purpose of the General Agreement on Tariffs and Trade, of which the United States is a charter member, is just that—the reduction of Government interference in international trade. The 77 full members of GATT, including the nine nations of the Common Market, and Japan, as well as the 13 associates, are meeting in Geneva for negotiations designed to reduce trading barriers. At the end of October, however, the European members refused to set up crucial working groups pending passage of a U.S. trade bill that would give the administration authority to negotiate reductions. As a result, subsantive world trade negotiations that could significantly benefit the United States are at a standstill, and will not proceed until the Congress acts.

It must be in light of this urgency that we take up House Resolution 657 setting the groundrules for consideration of the Trade Reform Act. Under the rule, debate shall extend for 6 hours equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. Significantly, 1 additional hour of debate is to be controlled by the distinguished chairman of the General Subcommittee on Labor (Mr. DENT). Three amendments shall be in order under the rule; first, an amendment will be offered by Mr. VANIK to place export-import credits under the conditions of title IV; second, an amendment will be proposed to strike title IV; and third, an amendment will be brought to strike title V.

Mr. Speaker, I urge the House to accept the rule in this form and to reject attempts—no matter how well meaning—to amend or defeat it. Whatever form such an effort would take, either to defeat the previous question and amend the rule, or failing that, defeating the motion on final passage, the ultimate effect would be to cause costly delays in the Geneva negotiations with perhaps irreversible consequences.

Though I shall leave discussion of the provisions of the act to the distinguished members of the committee, I call your attention to the possible ramifications of amendments of title I. Under title I, the President is granted authority for 5 years to negotiate agreements to raise or lower tariff and nontariff barriers. It will be argued that the President ought not to be granted such powers, and that furthermore, the President's intention to lower nontariff barriers will work particular hardships on certain product sectors. But without such powers important trade negotiations have already been halted and will not proceed until such powers are granted. In addition, the committee bill not only limits the duration of the authority but also specifically sets limits on tariff rate reductions, and provides a congressional veto mechanism to guard against nontariff adjustments that unduly harm a domestic producer.

I am sure that those who argue the perspective of organized labor will express their misgivings over title I, as well, and will also argue the inadequacies of the adjustment assistance provisions of title II. But should the force of these arguments persuade the House to open the rule, I have no doubt about the effect. A glut of amendments will rain down upon this body that would have the purpose of exempting and protecting every product and labor sector from both the real and imagined dangers of freer trade. The cumulative effect could easily be legislation that would so bind the administration as to be meaningless, and to threaten a veto.

The effect of an amended rule, or its defeat, could, I fear, set the clock back 8 months in the House, and further delay consideration in the other body. It would do so, moreover, without the opportunity for constructive debate that is provided by House Resolution 657.

Mr. Speaker, it is acknowledged by most economic authorities that the huge $6 billion plus trade surpluses that we enjoyed during the early sixties have become relics of another age. The international economy has become just too competitive for us to ever hope to achieve such surpluses again, nor is it necessary that we do so. A helpful index of just how competitive the international market has become is the rate of growth of imports to the United States by competitors we formerly dominated with our exports. Between 1966 and 1972, imports from Western Europe doubled, to a level more than $15 billion annually; and in the same period, imports from Asia—with Japan the major component—have nearly tripled to a level of $15 billion per annum.

Even if it were desirable, we could not shut our trading door to these competitors without severe and potentially catastrophic international ramifications. To the contrary, our best interest is served by striking an equilibrium with these and other trading partners that will guarantee no one permanent surpluses, but rather will stop the seesaw of surpluses and deficits that have proved so damaging to the United States in the last few years. At present the major obstacle blocking the road to this goal is the absence of the negotiating authority that this bill would provide the President of the United States. I firmly believe that the rule before us today would allow for comprehensive debate on that subject without unnecessarily dooming prospects for its acceptance.

Mr. Speaker, I urge adoption of House Resolution 657 in order that the House can consider H.R. 10710, the Trade Reform Act of 1973.

Mr. BURKE of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to the gentlemen from Massachusetts.

Mr. BURKE of Massachusetts. I thank the gentleman for yielding. I wonder if the gentleman is also pleased at the 1 million permanent jobs lost since 1965 as a result of the trade policies.

Mr. ANDERSON of Illinois. Mr. Speaker, I will not yield any further.

I do not accept that figure. That is not true, and any objective observer who looks at the record will discover that those corporations that are engaged in the export industry are creating more jobs here at home by far than those who are not engaged in export at all. So this story about a million lost jobs is absolutely a figment of the gentleman's imagination.

Let me say before my time is up that there is a very good reason why we have elected in the Committee on Rules to provide a modified closed rule in this case.

I see that my friend, the gentleman from Pennsylvania, has returned to the floor. I received a very interesting letter from him under date of December 6 which starts out: "Yes, we have no bananas, steaks, eggs, blue jeans," and so on. This is exactly, I think, an example and this is typical of the kind of protectionist amendments that would be offered under an open rule to this bill.

As the gentleman from Nebraska truly said, if we want to do a Smoot-Hawley all over again with the disastrous economic consequences that bill produced, then go ahead and vote down the previous question, open up this rule, and everybody who wants to can come in with an amendment to exempt bananas, tennis balls, freezers, and all of them will be here in the well offering amendments of that kind.

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

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

Mr. DENT. I thank the gentleman for yielding.

Outside of being a fighter in his opinion, I can tell the gentleman what I really am. I am in favor of American jobs. When I said, yes, we have no bananas, that came from a chamber of commerce and in one of our magazines.

Second, when I read through that list, tennis balls are made in one factory, and it happens to be in my hometown, and they are making less today than they did 20 years ago. The growth of our population and users of tennis balls has been exported and all the jobs that would have been created here in the United States.

Mr. ANDERSON of Illinois. The gentleman from Pennsylvania has just proved my point.

The SPEAKER. The time of the gentleman has expired.

Mr. LATTA. I yield 1 additional minute to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I thank the gentleman.

Tennis balls are made in his hometown. Pajamas are made in somebody else's hometown; hot water bottles are produced somewhere else; and it is only fair to expect that the protagonists of those interests are going to be here in the well offering amendments to exempt that particular product from the coverage of these negotiations. That is what we want to avoid. We want to give our negotiators the kind of authority that they need to sit down and hammer out a realistic agreement that will be good for American labor, good for the American public, and good for the entire country.

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

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

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

With regard to this legislation, my district, actually in my hometown, has one company which produces a great deal of manufactured goods, 40 percent of which goes overseas. There are 4,000 jobs that depend on the manufacture of parts for overseas assembly. Not one of those assembled units comes back to the State of Illinois or the United States for sale. What happens to those 4,000 jobs if we fail to pass this legislation?

Mr. ANDERSON of Illinois. The gentleman from Illinois makes an excellent point. Those jobs are gone.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. SCHNEEBELI).

Mr. SCHNEEBELI. I thank the gentleman for yielding.

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

Mr. SCHNEEBELI. Mr. Speaker, I support House Resolution 657, providing for 7 hours of debate on the Trade Reform Act of 1973, and permitting three amendments to the bill. An amendment will be in order to prevent the extension of credits to nonmarket economies that fail to allow free emigration. Also, one amendment to strike title IV, relating to MFN treatment for Communist countries, may be offered, and one amendment to strike title V, providing for U.S. participation in a system of generalized tariff preferences to less developed countries, may also be offered.

Mr. Speaker, this bill is vitally needed to enable the United States to continue to play a leading role in international economic relations. Since 1967, the President has been without tariff negotiating authority and this has hampered our economic relations. In 1970, the House-passed major trade legislation in recognition of this need, but due to the inaction of the other body, this bill did not become law. More than 3 years have elapsed since the House recognized the need to provide this authority, and it is imperative that we act favorably on this bill to do so.

Our committee voted 22 to 3 for the type rule granted by the Rules Committee.

The bill updates provisions of existing law providing import relief, adjustment assistance, and protection against unfair trade practices. It is urgently needed and strongly supported by the administration. The rule will enable us to consider legislation that is vital to continuance of the trade agreements program that has received bipartisan support for nearly one-third of a century. The rule permits the House a specific choice on the most controversial aspects of the legislation while providing for consideration of the remainder of the bill in a responsible way.

I urge all my colleagues to join me in supporting House Resolution 657.

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

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

Mr. CONABLE. Mr. Speaker, it is interesting that a great deal of the opposition to this bill seems to center on the rule. I do not think it is opposition to the substance of the rule so much as the fact that we are taking up the bill at all. That raises, of course, the issue as to whether or not we should be seeking this authority for the President at this time.

There is current a very strong feeling that if we do nothing we risk nothing. In fact, doing nothing would be disastrous. Mr. Speaker, in fact since 1967 when the last Presidential authority to seek new trade relationships with our trading partners expired, there have been dramatic changes in those relationships which I maintain require attention at this time. Let me suggest what some of those changes are.

First of all our goods have been increasingly discriminated against overseas as our trading partners have become more prosperous and more protectionist. Both the balance between imports and exports and the volumes of imports and exports, have vastly altered. Our currency has been twice devalued, increasing the competitiveness of our exports in the world market and reducing the competitiveness of foreign goods coming into this country. Japan's economy has surged. Europe has become a customs union during this period. We have become much more dependent on overseas oil. Direct military and political confrontation with the Communists has diminished. England has joined the Common Market. The world agricultural surplus has become a scarcity. The developing nations have become more prosperous, more demanding, and more developed. And we have had ample demonstration of the difficulty under current law of dealing administratively with unfair trade practices by other countries.

Mr. Speaker, I maintain that all these changes indicate the timeliness of this measure. We must not delay. As a matter of fact delay in bringing this measure before the House has resulted in some slippage in the negotiating timetable already. Sir Christopher Soames, speaking for the European community, has urged some delay in moving ahead with the necessary negotiations. If we are going to play an important part in future commerce, if we are going to have a growing share of world markets, it is absolutely essential, Mr. Speaker, that we move ahead now and try to bring about the changed trade relationships which will reflect the changes on the world scene that I have recounted. Delay works against the bill, and against the credibility of our role in opposing the drift to the economic naturalization which has characterized the period since 1967.

I hope the rule will be supported. I believe there is comparatively modest op-

position to it as a matter of substance and those who oppose the rule in fact oppose the bill.

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

Mr. CONABLE. I yield to the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, I concur in what my colleague, the gentleman from New York, has said, and I wish to undersoore the fact that we could do nothing that would leave us where we are. The world is changing very rapidly and we need to be at the negotiating table to give direction to that change. I do not know how soon the Senate will act. The Senate cannot act until after the House acts. Today is the day we ought to pass the rule and tomorrow pass the bill.

Mr. CONABLE. I thank the gentleman from California for his contribution.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. CHAMBERLAIN).

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

Mr. CHAMBERLAIN. Mr. Speaker, I have listened with interest to the comments in opposition to this rule. Before we make this important decision, perhaps we should reflect a bit about what a vote against this rule would really mean.

You will recall that it was back in April that the President sent a message to the Congress stating that "The need for trade reform is urgent." In fact, it was so urgent that the House leadership agreed, and the Ways and Means Committee put aside tax reform so we could get to work on trade problems. We started hearings on trade immediately after the Easter recess. Why? Because everyone felt that the interest of the country demanded that we act. We had our hearings and we worked through April, all of May, June, and July in the hope of accomplishing our goal before the August recess.

There was broad agreement that our bill was vital to show our intentions for reform before the September conference in Japan that was supposed to be the kickoff for restructuring world trade. We did not make it. But we thought we could recover from this if we got a bill out soon after Labor Day. Well, we finally reported our bill on October 10. And we all know what has happened since then. The whole world has been caught up in the fast moving events in the Middle East.

But we still need a trade bill. It is vital if we are to negotiate with our trading partners to bring about the needed reforms in world trade.

We have heard some critical comment about the timing for the consideration of this bill. I am not too happy about it myself. But what choice do we really have? I rather believe it is now—or never. If this rule is voted down, will it not mean that trade reform has been killed—certainly for this Congress? Is that the message we want to send the world? I think not.

Sure there are lots of hard decisions in this bill. It is terribly complex. But I think we have already delayed much too long. It is time to get this behind us.

We need this bill. We needed it long ago—and we need it now—just as soon as we can get it. I urge that you vote to support this rule.

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

Mr. CHAMBERLAIN. I yield to the gentleman from Colorado.

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

Mr. BROTZMAN. Mr. Speaker, I rise in support of this rule, because I think we have to move forward now. Often as we discuss the problems of world trade, it becomes an interesting colloquy and discussion about international events. The real fact is that this particular bill touches flesh and blood people that we here represent. It touches them as to what they are going to pay for the products they buy. It touches them as to their own jobs.

I would certainly concur with what the gentleman from Michigan said and I urge support of this rule.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. PRICE).

(Mr. PRICE of Texas asked and was given permission to revise and extend his remarks.)

Mr. PRICE of Texas. Mr. Speaker, today the Congress is in the process of debating perhaps one of the most important pieces of legislation yet to be considered during this session of the Congress, the Trade Reform Act of 1973. Since 1967, the President has not had basic authority to adjust tariff rates because his negotiating powers expired 6½ years ago under the terms of the Trade Expansion Act of 1962.

Also, since 1967, economic conditions of the world's trading community has changed drastically with production capabilities and marketable products expanding rapidly. Major structural changes have also occurred in the world economy as Europe's Common Market and Japan improved their economic strength and have recently emerged as strong competitors with the United States. Furthermore, our monetary system has in recent years increasingly shown itself to be archaic and terribly outmoded for the needs of our present trading economy.

Never has the need for an effective mechanism to deal with both tariff and nontariff barriers to trade been more apparent, and our lack of authority at the negotiating tables looms most significantly today as a new round of trade negotiations among world powers is under way.

The bill we are considering today is designed to give the United States more leverage in negotiating which hopefully will gain greater access to foreign markets for U.S. products and to provide our American negotiators with the needed latitude equivalent to that which their counterparts have by virtue of their own parliamentary systems.

Although we will all admit that there are problems surrounding the legislation being considered today, nevertheless the need for a trade bill strongly outweighs the problems.

What should be the concern of all my distinguished colleagues today is the effect of the entire Trade Reform Act of 1973 upon their districts and our Nation as a whole. In my district alone the market for our agricultural products will be financially beneficial. If the United States has the necessary products at home, is it not better to export the excesses instead of having the Federal Government pay subsidies. By exporting agriculture products such as wheat feed grains and to foreign countries, our farmers will have the needed incentive and markets to produce record agricultural crops.

The United States has expanded its wheat, grain sorghum, corn, and soybean production to an alltime record level this year. More than 40 million additional acres of U.S. cropland have been made available for production in 1973; and 20 million more acres will be freed for production in 1974. For 1974, the Agriculture Department will not divert any cropland, leaving our farmers completely free to respond to the demands of domestic and export buyers for increased farm products. This should stimulate efficient U.S. farmers to even greater production in 1974. This assurance of increased production should help to eliminate any unnecessary stockpiling by importing nations in the current years.

In 1973, the world grain trade increased by 20 million tons—and U.S. exports increased 30 million tons; thus, the United States provided all of this increase plus making up for some of the shortfalls. The increased demand has been partially due to poor crops in some parts of the world, but more importantly to the increasing world demand for livestock products and thus for livestock feed. It is in the interest of the developing nations, too, to stimulate the increased grain production the world needs and wants. Because the United States recent experience with price and wage controls, together with the long history of failures in international commodity agreements, many authorities are convinced that a free and open market is the best and most realistic way to assure an equitable sharing of available grain supplies.

Japan is looking to the United States for soybeans, cotton, grain sorghum, and other grains. Eastern Europe is importing U.S. soybeans and soybean meals and grain for livestock, and Taiwan is bidding for all U.S. grains plus apples. Although these are only a few examples of our foreign market today, imagine what it can be once the President has negotiating power. If the U.S. agriculture community is to benefit from the opening market for its goods, a trade bill is vitally necessary.

I could go on and on discussing the beneficial points of this bill and its bad points that hopefully will be corrected by amendment, however, I urge my colleagues to carefully reflect on the effects and benefits the Trade Reform Act of 1973 will play upon the people in their own districts and the Nation.

Mr. LATTA. Mr. Speaker, I yield 2

minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

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

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in support of this bill and also in support of this rule. It has been rumored that there may be a concerted effort to defeat the rule and not take up the bill at all. I think this would be a tragic development.

There is a rumor also that some proponents of the legislation are going to vote against the rule. I hope this will not occur. It seems to me essential that the House face up to its responsibilities. This may not be an ideal time to discuss the consideration of this bill, but there may never be an ideal time to discuss legislation of this kind as far as the international situation is concerned.

It has been argued that the House need not act because the Senate may not act. This, if true, would be no excuse for inaction by the House. The House cannot control the Senate, and we should not shirk responsibility for what the other body may or may not do.

The House will not be meeting our responsibilities unless we discuss the matter at some length.

In that connection, I want to associate myself with the remarks just made by the gentleman from Michigan (Mr. CHAMBERLAIN), and the gentleman from New York (Mr. CONABLE) on the importance of this bill.

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

Mr. FRELINGHUYSEN. The gentleman will have an hour on the bill. I refuse to yield. I would think he would stop interrupting for at least 30 seconds. I decline to yield.

Mr. DENT. The gentleman says he will not yield. I only need 30 seconds.

Mr. FRELINGHUYSEN. Major adjustments of the trade relationship between the United States and the rest of the world are needed, and they are important. If we delay in acting, or in effect if we kill the bill and thus eliminate the possibility of negotiating, it seems to me we will be working very definitely to our own disadvantage.

I trust we will accept the rule. I trust we will not defeat the whole proposition. I trust we will not have an open rule. I trust also that we will pass this legislation.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. FINDLEY).

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

Mr. FINDLEY. Mr. Speaker, in 1962 the Congress enacted the Trade Expansion Act under the theme and slogan that America must either trade or fade. It is still a sound message today.

To those concerned about the future of union labor in this country, I point out that the products of 30 percent of America's agricultural cropland is sold overseas.

The American farmer is the single best consumer of union-made steel products in this country. So, city and rural people alike have high stakes in trade expansion, especially in light of the ever-growing protectionist tendency of the Common Market.

Mr. Speaker, I generally oppose restrictive laws, but I certainly am strongly in support of this rule, and I hope it will be adopted and the bill will be accepted.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentlemen from Illinois (Mr. COLLIER).

Mr. COLLIER. Mr. Speaker, our very persuasive colleague from Pennsylvania (Mr. DENT) pointed out in his earlier remarks that our balance of payments, and indeed our balance of trade, have worsened since the last major trade legislation we enacted in 1962; and certainly he is correct.

But, let me assure the Members that unless we move forward today in adopting this rule, we are merely preserving the status quo. We are never going to get a trade bill upon which all of us agree. That is a foregone conclusion. We are never going to get a trade bill upon which all segments of our society will concur. This bill, however, while it does provide more negotiating power to the Executive, does have built-in protections where the Congress for the first time—and I repeat, for the first time—will have an opportunity to see that those negotiations are conducted in the manner which are in the best interests of this country. This was not in the previous bill.

Therefore, I implore the Members of the House, and I have never been known, as most of you know, as a great free trader in any sense, but I certainly do not think we can any longer survive in a vacuum. I think we have to adopt the rule. It will be in the best interests of the consumer, labor, and to the credit of this body if we adopt this rule today.

Mr. LATTA. Mr. Speaker, I yield to the gentleman from Tennessee (Mr. DUNCAN).

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

Mr. DUNCAN. Mr. Speaker, I rise in support of this proposed rule.

[Mr. DUNCAN further addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL).

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

Mr. FRENZEL. Mr. Speaker, I rise in support of both the rule and the bill itself. And I urge my colleagues in the House to do the same.

This country desperately needs a trade bill. Without H.R. 10710, the United States has a trade policy without any teeth, a condition which has existed since the Trade Expansion Act of 1962 expired 6 years ago. The negotiating authorities contained in this bill are crucial to our effective participation in any GATT talks and to the resolution of other trade negotiations to put us on an equal footing with our foreign trading partners especially Japan and the European Economic Community.

The fact that our balance of payments, which was suffering badly a year ago, has made a dramatic turn around in recent months is no reason to oppose or delay passage of this legislation. In fact, the provisions of this bill will help to strengthen the comparative advantages of these sectors which contributed most to our improved balance-of-payments position, especially agriculture.

The Trade Reform Act does not sell us out to foreign competitors, as some of its critics contend. Neither does it sell out the Congress controls over our trade policy. The authority to negotiate away unfair trade practices, and to retaliate against them when necessary, should be important considerations for those Members interested in protecting American industry and workers. And the bill gives Congress effective procedures for passing judgment on Presidential actions and which more than preserve our powers over trade policy. In addition, the title II adjustment assistance provisions are broadened and liberalized to aid American firms and their employees whose jobs are jeopardized by foreign imports.

Finally Mr. Speaker, a word about title IV. Regardless of how any Member of this House feels about extending most-favored-nation status to the Soviet Union, now or ever, I hope that he or she will realize that this country needs a trade bill now.

The Trade Reform Act of 1973 provides both the incentives for expanded fair and mutually beneficial trade and the authority to take action to correct or defend against unfair treatment. A dispute over title IV should not hold up this bill. The longer we wait, the more we risk loss of trading position in an increasingly chaotic world economy.

Both the United States and the Soviet Governments have known for over a year now that the Mills-Jackson-Vanik provisions would be contained in this legislation. It should come as no surprise to them that this bill will pass with title IV in it, if we are to get a bill at all. This legislation should not be allowed to fail here or be vetoed because of concerns about slippage in our détente with the U.S.S.R. If it can survive at all, détente will survive the title IV provisions.

In my State of Minnesota, tens of thousands of jobs depend on foreign trade. This bill is calculated to expand trade and is therefore, for us, a job protection and job creation bill. Minnesota agriculture needs this bill to expand markets abroad, especially after the production incentives of the new farm bill. Minnesota labor, particularly in our skilled, scientific industries, like data processing systems, needs this bill for more jobs and better jobs. Minnesota products need fair treatment in foreign markets. We believe this bill will give us fair treatment, expanded markets, and more jobs.

This country, the American worker, and the American consumer cannot afford to go without this trade bill. We need the Trade Reform Act now, and I urge its passage.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. PETTIS).

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

[Mr. PETTIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to our able colleague, the gentleman from Florida (Mr. GIBBONS).

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Missouri.

(Mr. BURLISON of Missouri asked and was given permission to revise and extend his remarks.)

[Mr. BURLISON of Missouri addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

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

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

Mr. BIAGGI. Mr. Speaker, I rise in opposition to the rule to permit consideration of H.R. 10710, the Trade Reform Act of 1973. It seems futile for the Congress to waste many precious hours taking up this ill-conceived bill. It deserves to be recommitted.

This bill would continue an archaic, economically irresponsible, and grossly outdated international trade policy which in the last 7 years has put the United States in a position of inferiority in the international trade market.

This bill could result in the perpetuation of an import policy which has wiped out both jobs and industries at a devastating rate. More than 1 million American men and women have lost their jobs as a result of an unregulated flow of imports into this country.

Moreover, one need only look around to those items of everyday use, such as cars, clothings, and major appliances.

To discover what effect this unrestricted import policy has had on the American economy. Such household names as Sony, Toyota, and Volkswagen, while representing great economic growth for Japan, and Germany, has presented the American people with widespread unemployment, in key industries and the continuation of a dangerous unfavorable balance of trade. In the electronics industry alone, where imported goods make up over 75 percent of all manufactured products 450,000 jobs have been lost in the last 4 years.

The future will continue bleak if this bill passes. Thousands more hard working Americans will be out in the streets standing on unemployment lines as a direct result of the Nixon trade and economic policies. Our unemployment rate could rise to levels we have not seen since the depression.

With this bill, Congress will turn over to the executive branch a vast amount of power in international trade matters and give the President unprecedented authority to regulate U.S. imports and exports. The hands of the representatives of the people in Congress would be completely tied. The only voice we would have in the making of international trade agreements would be a simple veto over the President's determinations of what he thinks is right or wrong for America.

True, certain provisions of this bill which prohibit favorable trade status to nations, such as the Soviet Union, that deny their citizens the right to freely emigrate, could be used as a lever to change these policies. I agree with this principle and am a cosponsor of the Mills-Vanik-Jackson amendment.

However, I do not believe we have to attach a very meritorious piece of legislation to an otherwise worthless bill. We can approve the Mills-Vanick bill separately, if necessary, or attached to a sound trade bill next year. I get the impression that the administration wants to use this provision as a "vote-getter" for their trade bill. The basic human rights of the Soviet Jews should not be used as bargaining chips in a fight between Congress and the President over trade legislation.

On a practical and realistic level, it seems useless for the House to pass this rule. In light of the highly important legislation we have yet to consider, particularly with respect to finding solutions to our current energy crisis, it seems incredulous that the House would vote to waste 7 or more hours on a bill which is clearly not in the best interests of the American people.

Mr. Speaker, it is my fervent hope that the majority of my colleagues will share my sentiments and defeat this rule. H.R. 10710 fails to deal with our current trade problems and stands to initiate further economic havoc by giving the President the tools to turn trade into a million dollar bonanza for the moguls of the supernational corporate giants and the profit-hungry international trading interests. This legislation should be promptly returned to the Ways and Means Committee. It needs major revisions. It does not merit the time and energy of this body this year. The committee should be directed by an overwhelming vote of rejection to develop a bill that will help create American jobs, help maintain the rights of people to freely emigrate, and serve as the framework for a new American trade policy to benefit this Nation for the next decade.

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

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

Mr. DENT. Mr. Speaker, I just tried to say that when all the emergency was coming on about this in the House when this bill was passed originally in 1962, it died in 1967. If I can count, that is 6 years ago.

In all those 6 years, this great emergency has not come up, but now on the even of Christmas everybody seems to be looking for the "Miracle of 34th Street."

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

Mr. GIBBONS. Mr. Speaker, I am here today to ask the Members to support the rule and to support this bill.

To respond just briefly to my good friend from Pennsylvania (Mr. DENT), whom I have just yielded to, let me say that part of this act expired in 1967, and for that reason this country has been lassoed and hog-tied and not able to work as it should work in international trade and to defend itself. Things have happened, and the Congress has tried to act in this area before. It tried to act in 1970 and failed to act after a long debate. And it has tried to act since that time.

Mr. Speaker, as so many Members have pointed out here today, times really have changed. I think that one change that I am aware of, and perhaps that all Members ought to be aware of, is that the last time the House tried to use an open rule with a trade bill was in the Smoot-Hawley days.

Mr. Smoot was a Member of the Senate, and Mr. Hawley was a Member of the House. Mr. Hawley's picture hangs over the room occupied by the Committee on Ways and Means. He was chairman of that committee at that time. I think all of us know, and as history has taught us, what a sorry mistake the Smoot-Hawley Act was.

Under an open rule it becomes incumbent upon every Member sitting here to try to defend the interest of his own district. What happens, though, is that sometimes we get a horrible monstrosity, such as Smoot-Hawley was.

Smoot-Hawley helped pull this country down into the very depths of the depression. It helped pull world trade from a very substantial amount of trade to almost a zero balance. Twenty-five nations responded in the only way they could to retaliate against us, and historians tell us and those of us who were old enough to remember realize that Smoot-Hawley was probably one of the main causes of the disintegration of world trade that took place then, and it led to World War II with the tremendous loss of life during that war.

Mr. Hawley was a Member of Congress from the State of Oregon, and the acting chairman of our committee today is from the State of Oregon. So, my, how times have changed.

The Smoot-Hawley bill was full of all kinds of little "goodies" for little industries in particular areas.

One thing we can say about this bill today, Mr. Speaker, is that no special interest has been served by it; only the American general interest has been served by it. The gentleman from Oregon, Chairman ULLMAN, resisted with skill and determination any attempts to put into this bill the kind of things that would lead us back into the Smoot-Hawley days, the kind of things that Members of Congress are inclined to do when they are protecting their own district interests and political interests in a bill like this.

So it is rather fitting that here on this day, some 40 years after Smoot-Hawley, another gentleman from Oregon would be leading us in the consideration of what I think is a very fine and a very courageous piece of legislation, a very

well-founded and well-thought-out and well-debated piece of legislation.

Mr. Speaker, some Members of this body have objected to the timing of this bill, as my friend, the gentleman from Pennsylvania (Mr. DENT), just did.

There is never an easy time or a good time to vote on a piece of trade legislation. They are tough bills. They get ground right down into the foundation on which America has been built.

But the House of Representatives, through its Committee on Ways and Means, through its other deliberative processes and through its Committee on Rules, has been working on this bill since April. We must pass it soon in order to give the other body a reasonable chance in the next year to try to get something done to express their ideas on this subject.

Mr. Speaker, I think we ought to support the bill and the rule.

Mr. PEPPER. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. VANIK).

(Mr. VANIK asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, at this point in the Record, I would like to enter the full text of the "Freedom of emigration amendment" which I will offer tomorrow to the Trade Reform Act of 1973 pursuant to the rule, House Resolution 657:

AMENDMENT TO H.R. 10710, AS REPORTED
OFFERED BY MR. VANIK

Page 129, line 25, after "treatment)," insert the following: "such country shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly.".

Page 130, line 20, strike out "and (B)" and insert the following: ", (B) such country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees; and (C)".

Page 131, line 6, after "received", insert the following: ", such credits or guarantees extended,".

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

Mr. Speaker, the President has recommended the passage of this bill, the Committee on Ways and Means has recommended it, and the Committee on Rules has brought the rule out.

I hope that this rule will be adopted and that the House will have the chance to work its will on this bill.

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 230, nays 147, not voting 55, as follows:

[Roll No. 639]

YEAS—230

Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Arends
Ashley
Badillo
Bafalis
Baker
Beard
Bevill
Biester
Blackburn
Blatnik
Boggs
Bolling
Bowen
Bray
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Camp
Carter
Casey, Tex.
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Cohen
Collier
Conable
Conte
Corman
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dennis
Devine
Dickinson
Downing
Dulski
Duncan
Esch
Evins, Tenn.
Fascell
Findley
Flynt
Foley
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton
Fuqua
Gettys
Gibbons
Gilman
Ginn
Goldwater
Goodling
Green, Oreg.
Griffiths
Grover
Gude
Gunter
Guyer
Haley
Hamilton
Hammer-schmidt
Haniey
Hansen, Idaho
Harvey
Hastings
Heckler, Mass.
Heinz
Hillis
Hinshaw
Holifield
Holt
Horton
Hosmer
Hudnut
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Karth
Ketchum
King
Landrum
Latta
Lehman
Litton
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McEwen
McKinney
McSpadden
Macdonald
Madigan
Mahon
Mailliard
Mallary
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Mayne
Mazzoli
Michel
Miller
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Mosher
Nelsen
Nichols
O'Brien
O'Neill
Parris
Passman
Patman
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Powell, Ohio
Preyer
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Regula
Reuss
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rostenkowski
Roy
Ruppe
Ruth
Sandman
Sarasin
Satterfield
Schneebeli
Sebelius
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Talcott
Taylor, N.C.
Teague, Calif.
Teague, Tex.
Thomson, Wis.
Thone
Thornton
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Waldie
Ware
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Yates
Young, Fla.
Young, S.C.
Young, Tex.
Zion
Zwach

NAYS—147

Abzug
Adams
Addabbo
Anderson, Calif.
Annunzio
Ashbrook
Bauman
Bennett
Biaggi
Bingham
Boland
Brademas
Brasco
Breaux
Brooks
Burke, Mass.
Burlison, Mo.
Burton
Byron
Carney, Ohio
Clark
Clay
Cleveland
Collins, Ill.
Collins, Tex.
Conlan
Cotter
Crane
Daniels, Dominick V.
Danielson
Davis, S.C.
Dellums
Denholm
Dent
Derwinski
Diggs
Dingell
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Flood
Ford, William D.
Froehlich
Gaydos
Giaimo
Gonzalez
Gray
Green, Pa.
Gross
Hanna
Hansen, Wash.
Harrington
Hays
Hechler, W. Va.
Helstoski
Hicks
Holtzman
Howard
Huber
Hungate
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kemp
Koch
Kyros
Landgrebe
Leggett
McCormack
McFall
McKay
Madden
Matsunaga
Meeds
Metcalfe
Mezvinsky
Milford
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nix
Obey
O'Hara
Owens
Patten
Poage
Podell
Price, Ill.
Randall
Rangel
Rarick
Riegle
Rodino
Roe
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Shipley
Snyder
Spence
Stanton, James V.
Stark
Steed
Steelman
Stratton
Stubblefield
Studds
Sullivan
Symington
Taylor, Mo.
Thompson, N.J.
Tiernan
Towell, Nev.
Vigorito
Whalen
White
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wright
Wylie
Wyman
Yatron
Young, Alaska
Young, Ga.
Zablocki

NOT VOTING—55

Abdnor
Archer
Armstrong
Aspin
Barrett
Bell
Bergland
Buchanan
Burke, Calif.
Carey, N.Y.
Cederberg
Chisholm
Conyers
Donohue
Dorn
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Fish
Fisher
Flowers
Grasso
Gubser
Hanrahan
Harsha
Hawkins
Hébert
Henderson
Hogan
Hunt
Keating
Kluczynski
Kuykendall
Lent
Martin, N.C.
Melcher
Mills, Ark.
Rees
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Scherle
Stokes
Stuckey
Symms
Veysey
Waggonner
Walsh
Wampler
Wolff
Wyatt
Wydler
Young, Ill.

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Rooney of New York against.

Mr. Waggonner for, with Mr. Barrett against.

Mr. Carey of New York for, with Mr. Kluczynski against.

Mr. Bergland for, with Mr. Donohue against.

Mr. Fisher for, with Mr. Hawkins against.

Mr. Rees for, with Mr. Symms against.

Mr. Wyatt for, with Mrs. Chisholm against.

Mr. Rhodes for, with Mr. Melcher against.

Mr. Mills of Arkansas for, with Mr. Stokes against.

Mr. Erlenborn for, with Mr. Conyers against.

Until further notice:

Mrs. Grasso with Mr. Abdnor.

Mr. Reid with Mr. Hanrahan.

Mr. Wolff with Mr. Eshleman.

Mr. Aspin with Mr. Edwards of Alabama.

Mr. Dorn with Mr. Cederberg.

Mrs. Burke of California with Mr. du Pont.

Mr. Flowers with Mr. Fish.

Mr. Henderson with Mr. Gubser.

Mr. Stuckey with Mr. Buchanan.

Mr. Hogan with Mr. Harsha.

Mr. Lent with Mr. Hunt.

Mr. Roncallo of New York with Mr. Martin of North Carolina.

Mr. Walsh with Mr. Scherle.

Mr. Wydler with Mr. Wampler.

Mr. Archer with Mr. Young of Illinois.

Mr. Bell with Mr. Kuykendall.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RESIGNATION OF AND APPOINTMENT OF CONFEREE ON H.R. 11324

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia (Mr. STUCKEY) be excused from further service as a conferee on the bill H.R. 11324, and that the Speaker be authorized to appoint a Member to fill the vacancy.

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

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Texas (Mr. ECKHARDT) to fill the vacancy, and the Senate will be notified of the action of the House.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORT ON H.R. 11450

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce have until midnight tonight to file a report on the bill H.R. 11450.

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

There was no objection.

PERSONAL EXPLANATION

Mr. ROGERS. Mr. Speaker, on Wednesday, December 5, 1973, during rollcall No. 631, on the budget reform bill, I was present on the floor of the House and inserted my voting card at the appropriate time. I pushed the "aye" button and voted "aye" on final passage. The computer printout shows the card was inserted but for some reason the computer did not record my "aye" vote.

I ask unanimous consent that this statement appear on page H10720 in the RECORD immediately following the vote.

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

There was no objection.

TRADE REFORM ACT OF 1973

Mr. ULLMAN. 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. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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

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. 10710, with Mr. BOLAND 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 Oregon (Mr. ULLMAN) will be recognized for 3 hours, the gentleman from Pennsylvania (Mr. SCHNEEBELI) will be recognized for 3 hours, and the gentleman from Pennsylvania (Mr. DENT) will be recognized for 1 hour.

The Chair now recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, first I want to express my appreciation to the Members of the House for the vote on the rule. We in the Ways and Means Committee recognize the difficulties of voting on a very complex and important piece of legislation such as this, but it is a piece of legislation that must be passed by this Congress. I think when the Members look back on it they will recognize that this is the best time to dispose of this very important piece of legislation.

I hope the Congress will be able to go home over the Christmas recess and say that they have considered and approved trade legislation that is broad in scope, that is responsible, and that will help us in this critical time to face up to our world obligations.

Mr. Chairman, the legislation that we bring before the Members today could well be the key to American industrial and overall economic growth in the next 20 years.

It can be the key to millions of new jobs and new markets for our factories and our farms. It can be the key to the achievement of sound international monetary reforms and monetary and financial stability for the years ahead. It can be the key to the reform of our international trade system and continued expansion of world trade and economic growth. It can be the key to peace and prosperity in our times.

Mr. Chairman, this legislation is sorely needed to further our economic and political interests abroad and improve competitive conditions for our producers at home and abroad.

Mr. Chairman, it is only because of circumstances beyond our control that fuller consideration of this matter has been delayed. One may ask why we are considering H.R. 10710 on December 10, almost 2 months after it should have been considered in the House.

The Committee on Ways and Means spent 24 full days in public hearings and 37 more days, and I mean full days, in markup sessions.

The bill was ordered reported on October 3 by a vote of 20 to 5.

On October 10 the report was filed and immediate consideration of the bill was requested. The leadership responded by scheduling the bill for consideration on October 17.

Let me here express my appreciation to all the members of the Committee on Ways and Means for their long, hard, and diligent efforts in producing what I consider one of the best and most responsible trade bills that has come out of this Congress for a long, long time.

I want to express my appreciation to all of the members. The vote was 20 to 5; but even those members who voted against the bill were extremely diligent in attempting to improve it and allow it to come to the floor in a responsible way.

Now, the answer to why this bill is being considered today is that the President asked that the bill be delayed. He requested that the bill be delayed on the grounds that title IV of the bill authorizing the President to extend nondiscriminatory treatment to certain Communist countries, contains language that the administration objected to because the rule which had been granted for the bill provides the opportunity to add additional language with respect to limitation on credits to those countries, which the administration also found objectionable.

In view of this request for delay, one might ask why the provisions on most-favored-nation treatment to certain Communist countries are in the bill at all.

The answer to that question is that the administration asked for the provisions of title IV at the time the draft proposal was submitted to Congress. They considered this an extremely important part of the bill.

The provisions on most-favored-nation treatment to certain Communist countries was requested by the administration at a time that they had to be aware that the Jackson-Mills-Vanik amendment was already pending in the House and in the Senate. Indeed, in the House the Mills-Vanik amendment had almost 280 sponsors at the time the President submitted the trade proposal, including in his request for authority to extend most-favored-nation treatment to certain Communist countries.

Because the President specifically tied his request for delay to matters of grave national security in the Middle East and the possibility of the outbreak of general war, there was no way that either the Speaker or the Committee on Ways and Means could refuse that request.

Now—at this late hour—the President has asked us to go forward. I believe it is imperative that we do go forward.

It seems to me that further delay could well cause serious injury to our international relations with the free world.

Some have asked also, "Will the Senate act?"

I have been assured by Chairman LONG and members of the Senate Finance Committee that they will most certainly take the measure up once we send it to them.

I find it inconceivable that the Finance Committee would fail to act, and the Senate itself would fail to act on such a major piece of legislation involving the long run economic well-being of the entire country.

Some ask, why do we need a bill at all? Mr. Chairman, before getting into a discussion of some of the major provisions of the bill, I would like to address myself very briefly to the subject of why we need a bill.

As this year has unfolded, we face a much different picture than we did at the end of last year when we experienced the largest trade deficit in the history of our country, almost $7 billion. Our trade balance has now moved into a favorable trade position and some analysts esti-

mate our trade surplus for 1973 could amount to over a billion dollars. This is certainly a most welcome change.

Our balance-of-payment position has also improved, but these developments, let me say, while welcome, in no way indicate that we are in a sound position with regard to our trade posture. Just the opposite is true. The disruptive factors of inflation, devaluation, and other market uncertainties all point to the absolute necessity of moving toward a much stronger posture in world trade. There are ominous signs of future economic crises if we fail to act.

We must strengthen the opportunities and the resolve of nations to cooperate in international trade matters, for the world is closer in many ways to the bilateralism and narrow self-interest of the 1930's than ever before, and we cannot slip back into that posture. The result worldwide would be disastrous.

Moreover, while some progress is being made in international monetary reform, we cannot disassociate successful resolution of that effort from one of the basic purposes of this bill, which is trade reform domestically and internationally.

Let me expand on some of the reasons for the bill. The bill is needed to assure job opportunities for American workers. Under this bill, when temporary import restraints are needed to provide relief to industries and their workers who are seriously disadvantaged by injurious import competition, timely and effective relief will be available.

Beyond this, the bill reforms our domestic laws to better assure conditions of fair trade in our own market and the mechanism to better assure our producers conditions of fair trade in foreign markets.

The best assurance of expanding job opportunities is sound economic growth. More than ever before in the United States, a large part of such growth must be generated by expanding world trade, a principal aim of this bill. The next greatest contribution that can be made to job opportunities is by assuring our own producers that they can continue to produce in the United States and survive competitively. This, too, the bill does.

Indeed, H.R. 10710 does more to provide tools to achieve conditions of fair trade and expanded markets for our producers and workers than any trade legislation yet enacted.

It is ludicrous, Mr. Chairman, to think that we would be able to increase job opportunities for an ever increasing work force by adopting a negative growth policy of trade restriction and insulated markets. Our great and productive economy was built on the basis of open markets and unrestricted competition. We can very quickly dismantle it if we choose to restrict competition and impose more vigorous and more Government controls, which certainly would happen in the case of a quota system.

We need this bill to assure and enhance our own standard of living, for just as the bounty of our own factories and farms contribute to our standard of living, the uniqueness and variety and the attractive cost of imported products benefit all of us as consumers and producers. To deny ourselves imported products which enrich our lives on the basis of some magic mathematical market-share formula, on the erroneous assumption that such controls on our economy can insure our continued prosperity, would be both shortsighted and self-defeating.

Mr. Chairman, we need this bill, because it is an essential ingredient to a foreign policy that is in our national interest. To some extent, the last few weeks have been unreal in terms of a discussion of this bill which many considered to be the "Soviet Union's most-favored-nation treatment bill."

And yet what this bill is really about is a recognition that our friends are important to us politically, and that our trading partners are important to our survival as an economy and as a nation.

The major provisions of this bill have to do with improving the opportunity for expanding our trading relations with the free world, and that is why this bill is needed.

The preoccupation with title IV has run the risk of alienating our trading partners. As dangers to détente have occupied the news, our trading partners have wondered whether anyone was interested in considering a bill which would make it possible for this country to participate in trade relations which have been agreed to by our own Government.

The development of the European communities has been an important part of our foreign economic policy over the past two decades. Are we to continue to be so preoccupied with the problems of encouraging better political and economic relations with the Soviet Union that we endanger our relations with Western Europe?

I would hope not, Mr. Chairman.

The path to peace does not involve the benign neglect of the need for expanding economic exchange with those countries who have moved with us in the postwar period to achieve the goals of a free society and of the ideals that bind us all together. The bill, Mr. Chairman, is needed to enable this country to participate fully in those multilateral trade negotiations which are already underway but which cannot go forward without the United States. The bill is needed now for daily events continually demonstrate that we are drifting, without a coherent and strongly supported trade policy, at our own peril.

Thus, the bill, the Trade Reform Act of 1973, provides the President authority to enter into trade agreements with foreign countries for a period of 5 years. This negotiating authority is fully adequate for the negotiations contemplated.

The bill most assuredly does not, however, give the President unfettered new power and authority.

In this bill the trade agreement authority is delegated to the President under stricter statutory guidelines and more specific limitations than ever before.

Moreover, it provides for this authority in a manner that demands active consultation with and participation by the Congress in the development of and the administration of the trade policies set forth in the bill.

In this respect, the bill is the most innovative approach to establishing a real partnership in the conduct of our international trade relations that has ever been proposed.

H.R. 10710 renews the President's authority to modify rates of duty pursuant to trade agreements. I will discuss the specific limitations on this authority later.

Suffice it to say the committee did not approve the President's request for unlimited authority to modify rates of duty.

This bill provides a new mechanism for dealing with nontariff barriers to trade, which is something long needed. Agreements on reducing or eliminating nontariff barriers are difficult to negotiate since often their implementation affects domestic laws and regulations and, for the United States, raises serious questions of constitutional responsibilities and prerogatives.

Yet these types of barriers have become more important as tariffs have been reduced. It has long been recognized that further trade liberalization is not possible without reducing and eliminating these trade restraining and trade distorting measures.

The delegation of authority in this bill to negotiate trade agreements on nontariff barriers, the guidelines and limitations on such negotiations, and the congressional consultation and disapproval procedures regarding their domestic implementation, constitute sound, and innovative legislation. The bill preserves the constitutional power of the Congress, and it gives the executive branch strong backing in the forthcoming negotiations.

This bill looks at the whole background of world trade practices and sets the stage for a complete revision of the outmoded trading rules that we have lived by.

Thus, for the first time in trade legislation, Congress would direct the President to use the GATT to further United States economic interests. In the past, while we in Congress have complained that our negotiators have not pursued our interests fully and effectively, we have ignored the international organizations and institutions which are vital to our trading interests.

By directing the President to seek a revision of the international trading rules, we are in effect saying that the GATT must be revitalized effectively to further our interest, but if the institutional problems are insoluable, a new organization and a new set of rules must be found in order to meet U.S. interests of the 1970's and beyond.

This bill would provide carefully limited authority to modify import restrictions for balance-of-payments reasons or to restrain inflation.

This bill would assure careful preparations for and conduct of the trade negotiations by providing: Public hearings, thorough Tariff Commission investigations of probable economic effects of trade agreements, a well-structured public advisory committee mechanism and continuing congressional oversight through the establishment of congressional advisers.

This bill provides for a congressional disapproval procedure that will give the Congress a stronger voice than ever before in the conduct of trade policy. In addition to the negotiation and implementation of trade agreements on nontariff barriers, the congressional disapproval procedure will apply: To the President's retaliatory actions against foreign trade discrimination, to his actions in using quotas or orderly marketing agreements for import relief measures, and to his authority to extend or continue nondiscriminatory treatment to certain Communist nations.

In each of the first four titles of the bill there is a provision for a veto procedure which I think is very important.

Guidelines, limitations, requirements of investigations and public hearings, consultations, disapproval procedures—clearly the delegation of authority in this bill is not an unlimited grant.

In reality the bill will constitute a return to this Congress of its rightful role in carrying out its constitutional responsibilities over tariffs and trade.

In this respect, I want to assure my colleagues that the Committee on Ways and Means intends to fully exercise its oversight obligations. Not only does the bill provide for a continuing consultation with the Congress but, as indicated in the report, the Committee on Ways and Means does not intend that the bill be passed, the authority granted, and then the bill be forgotten. As indicated in the report, the committee intends to closely monitor the preparations for and the conduct of the international negotiations and report to the House frequently on the progress being made. The committee is enlarging its staff in order to carry out these oversight functions and to staff the congressional advisers to the negotiations that are provided for in the bill.

Let me very quickly turn now to the rest of the bill, titles II and III of which relate to providing the opportunity for needed protection of our industries and their workers.

This bill rewrites the escape clause and provides more timely and effective import relief to industries and workers found to be suffering from serious injury due to imports. These provisions are aimed at keeping domestic producers in business and their workers employed by providing temporary import relief, if necessary.

Just as important, this bill establishes a program of direct assistance for workers and firms that is immediately, practical, and meaningful in terms of the support provided. These programs are far better than the existing ones, and represent a vast improvement over the administrations proposals in this area.

This bill emphasizes again and again the importance of providing conditions of fair trade to our producing interest. Thus, the bill amends the Antidumping Act to make it more responsive to the prevention of dumping practices.

This bill amends the countervailing duty provisions and restores the right of judicial review to domestic producers in cases of negative findings by the Secretary of the Treasury. For the first time, the Secretary will be required to act within 1 year under the countervailing duty provision. Through these amendments the committee has placed much pressure on the negotiators to complete an agreement of export subsidies. The committee intends that an equitable solution be found to the treatment of taxes at international borders.

This bill amends the foreign import restrictions provisions of current law and directs the President to act, by retaliation, if necessary, to remove injustifiable and unreasonable restrictions on U.S. exports. Further, the bill provides new authority to act against subsidized exports to the United States when, among other conditions, the President is advised that the antidumping and countervailing duty provisions are not sufficient to remedy the burden being imposed on domestic producers.

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

Mr. ULLMAN. Mr. Chairman, I yield myself an additional 5 minutes.

Mr. Chairman, this bill does provide, and I want to emphasize, it does so at the request of the President, authority for the President to extend nondiscriminatory treatment to those Communist countries not now enjoying such treatment.

The committee has carefully reviewed the President's request and has imposed a number of limitations and conditions on the President's authority under this provision.

I would now like to turn to the question of the amendment that my colleague, the gentleman from Ohio (Mr. VANIK) is to offer to those provisions of title IV of this bill. In effect, his amendment would restore to the original Vanik language the limitation on the extension of credits to those countries which are found to have restrictive and undesirable emigration policies.

If my memory serves me correctly, the amendment that the gentleman from Ohio (Mr. VANIK) proposed, which established appropriate emigration policies as a condition for the extension of nondiscriminatory treatment to certain Communist countries was unanimously approved by the committee without the credit limitations. The issue of whether the credit limitation language should be included was resolved negatively by the committee on the grounds that our committee does not have jurisdiction over foreign credit matters.

Nevertheless, the members of our committee decided not to object to a vote of reinstituting the credit limitation language to Mr. VANIK's overall language on freedom of emigration and East-West trade. Thus, before the Rules Committee we were neutral on the issue of the rule permitting a vote on the Vanik credit limitation amendment.

This country is now making some credit available to the Soviet Union.

And I would like to look at that for just 1 second. The latest information I have is that U.S. Government participation in credits to the Soviet Union approximates $700 million. Direct Export-Import Bank credits—over 5 years—account for a little over $100 million, as do U.S. commercial bank credits in tandem with those Export-Import Bank credits. Outstanding Commodity Credit Corporation credits, which have a 3-year maturity, amount to just under $500 million. I am informed there is not much of a backlog of applications for Export-Import credit regarding the Soviet Union.

I am satisfied that the House will work its will on this amendment. I plan to vote against the amendment. I remain hopeful we can relate to these important humanitarian concerns in other ways.

I believe we should and must continue to seek ways that will provide for normal trading relations and still assure a resolution of the emigration issue.

Mr. Chairman, finally, this bill does provide under very carefully drawn safeguards, the authority to extend tariff preferences to exports from developing countries. Our committee had the benefit of counsel from our distinguished colleague from Florida (Mr. FASCELL), who chairs that very important Latin-American Subcommittee, and who is familiar with the problems of developing countries.

Some have expressed the opinion that this bill does nothing to assure our access to needed raw materials from abroad, nor does it provide a framework for avoiding both economic and political crises created by preemptive buying of or export embargoes on on scarce materials. This bill does provide—and I want the Members to know that the Committee on Ways and Means does not have jurisdiction over export controls—this bill does provide, however, a means to deal with those problems. By establishing a negotiating authority and by directing the President to seek the revision of outmoded trading rules and the negotiation of new trading rules needed to deal with uneconomic distortions of trade, this bill provides an excellent opportunity for the negotiation of international understanding on the question of scarcity in world markets that will assure more cooperative efforts to meet scarcity problems and rules against discriminatory practices.

This is a sound bill, Mr. Chairman. This is a well-balanced and a well-formulated bill. It deals forthrightly with the challenge of international markets. It deals effectively with the competitive problems of our domestic market. It deals imaginatively with congressional executive branch joint and separate powers and responsibilities.

I can think of no more important action this House can take than to approve overwhelmingly, H.R. 10710. This bill constitutes a new concept in trade legislation, domestically, and it seeks a new plateau of international understanding and mutually beneficial trade liberalization, internationally.

This legislation and the international negotiations it makes possible is broad enough to attract the cooperative efforts of all nations. It is flexible enough to deal with the environmental problems and other worldwide developments that are impinging on trade relations and comparative competitive abilities among nations.

I firmly believe that the best avenue to peace and world understanding is the peaceful pursuit of commerce. Opening the doors to fair trading practices must be the No. 1 consideration in any effort toward peace.

Let us not delude ourselves that there was not a lesson in the depression of a Smoot-Hawley Act.

Let us move forward to the trading world that the economics of the 1970's and 1980's dictate by supporting H.R. 10710, the Trade Reform Act of 1973.

I would now like to turn to a detailed discussion of the provisions of the bill.

TRADE AGREEMENT AUTHORITY

Basic authority to enter into trade agreements. The President has not had authority to enter into trade agreements since the expiration of such authority under the Trade Expansion Act of 1962 on June 30, 1967. The committee considers it essential that the Congress provide such authority for a 5-year period to enable the United States to prepare for, participate in, and complete the forthcoming major multilateral trade negotiations.

Section 101 of the bill would authorize the President to enter into trade agreements with foreign countries during the 5-year period following the date of enactment of the legislation, and to modify or continue rates of duty within specified limits to give effect to such agreements.

The President may enter into trade agreements whenever he determines that existing duties or other import restrictions of any foreign country or of the United States unduly burden and restrict our foreign trade and that any of the purposes of the bill would be promoted by such trade agreements.

AUTHORITY TO MODIFY RATES OF DUTY

The bill would authorize the President—by proclamation—to increase, decrease; or continue any existing rates of duty or continue duty-free—or excise—treatment pursuant to trade agreements with foreign countries. The exercise of this authority is subject to specific limitations and is conditioned by certain determinations the President is required to make and prenegotiation procedural steps he must follow.

In connection with a trade agreement the bill permits the President to:

Decrease rates of duty existing on July 1, 1973: First, by 60 percent in the case of duties of 25 percent ad valorem or below; and second, by 75 percent in the case of duties of more than 25 percent ad valorem, provided, however, that no duty currently above 25 percent ad valorem can be reduced to a rate below 10 percent ad valorem. Duty reductions on rates of 5 percent ad valorem or below are not subject to these limitations and these rates can be eliminated.

Increase rates of duty existing on July 1, 1973—or impose duties—to a level 50 percent above the rate existing on July 1, 1934—50 percent above the column 2 rate—or 20 percent ad valorem above the existing rate, whichever is higher. This limitation may be exceeded however, when necessary to obtain a substantially equivalent level of protection if a nontariff barrier or other trade distortion is converted to a tariff.

ROUNDING AND STAGING

In order to simplify rates of duty subject to reduction where the result would be a rate other than a whole number or an even half-number, the above limits may be exceeded by not more than one-half of 1 percent ad valorem for rounding purposes.

Section 103 of the bill would also require that tariff reductions may not take place in less than 15 equal annual installments or by annual reductions of a maximum of 3 percent ad valorem, or one-fifteenth, whichever is greater. The purpose of the staging provisions is to provide time for the adjustment of domestic industries and workers to the effects of the reduction or elimination of duties under a trade agreement. The staging provisions also cover the exceptional situation in which it might be necessary to interrupt the implementation of a trade agreement concession, if the rate of duty has been increased for any reason.

The bill clearly does not provide the unlimited tariff modification authority originally requested by the President. However, it is essential that the Congress grant the President tariff negotiating authority adequate to obtain solutions to some of the trading problems of particular concern to the United States in the forthcoming major multilateral trade negotiations. The purpose of this authority is to give the President the bargaining leverage and negotiating flexibility required to achieve the overall objectives of expanding foreign market access for U.S. exports and a more open and nondiscriminatory trading system.

To the extent feasible, this authority should also be utilized so as to insure reciprocity of market access to each sector or agriculture, manufacturing, and mining.

The trade agreement authority for modifying rates of duty permits the use of various types of negotiating approaches and techniques most appropriate for achieving these goals.

At the same time, the limitations on the degree of tariff reductions, the staging provisions, the reservation of certain articles from the negotiations, and the prenegotiation procedures for hearings, advice from and consultations with the Congress, domestic producers, and private organizations, provide the necessary safeguards to insure that the authority will not be exercised to the detriment of domestic interests.

The authority to increase tariffs which has always been granted the President, subject to limitation, is not to be used to raise tariffs across the board. In specific cases where tariff relationships among countries on particular products or in particular product sectors might warrant the harmonization of duty rates among countries tariff increases as well as decreases might be necessary.

This authority could also be used if the President decided to convert other types of trade barriers to fixed tariffs. However, in examining these latter possibilities, the committee has noted in the report that in most cases it would be preferable to reduce or phase out the import restraint of the nontariff barrier itself, rather than to resort to an often complex and unrealistic procedure to convert and reduce in terms of a hypothetical rate equivalent.

NONTARIFF BARRIERS AND OTHER DISTORTIONS OF TRADE

Considerable concern has been expressed in many quarters about the presence of nontariff barriers and other trade distorting measures. Indeed, in 1962 the Congress expressed concern that barriers other than tariffs were negating U.S. trade agreements rights. In the Trade Expansion Act of 1962 section 252 authorized and called for action by the President against unfair or discriminatory foreign import practices. Little or no action has been taken under this provision, however, and many of the problems, insofar as U.S. exports are concerned, have become institutionalized, making it all the more difficult for the United States to export.

The erosion of the principle of nondiscriminatory treatment with the proliferation of preferential trading arrangements in recent years, together with international trading rules which are outdated and unrealistic in today's trading world, or are not accepted and applied by all major trading countries, reduce both the opportunities for growth of U.S. exports in foreign markets and the mutual benefits intended by reciprocal trade concessions. Of particular concern is the presence of discriminatory practices and nontariff impediments to trade in some countries which deny equality of treatment and equivalent market acces between countries in the same product or product sector; for example, in agriculture and high technology manufacturers.

While offering a most attractive and accessible market to foreign producers, as indicated by the growing importance of manufacturers as a share of total imports, the United States also maintains a number of barrires and other trade distorting measures which are of considerable concern to our trading partners. The inclusion in section 102 of the bill of specific negotiating authority on such barrires makes it clear that the Congress attaches a great deal of importance to the reduction or removal of nontariff barrires in the major multilateral negotiations. For the purposes of this bill barriers include the American selling price (ASP) system of valuation. Given the diverse nature and complexities of such barriers and the fact that they are imbedded in domestic laws in many cases, it has not been possible to frame general implementing authority which can apply to the various types of agreements which may be negotiated. Thus, provisions of this bill are intended to meet the twofold objectives of: First, expediting and reducing the uncertainties of the process by which agreements can be implemented, thereby increasing the U.S. ability to negotiate agreements with foreign counrties; and second, providing an increased role for the Congress in the trade agreements program through procedures enabling its proper consideration of agreements before and after their implementation.

The bill contains a statement by the

Congress urging the President to take all appropriate and feasible steps within his power to reduce or remove trade barriers, including the negotiation of trade agreements with foreign countries. The Pesident is authorized to enter into such agreements during the 5-year period following enactment of this bill.

It is not possible at this time to anticipate all of the types of agreements that might be negotiated by the President under the authority of section 102, particularly with respect to the number of other parties to such agreements. However, the authority granted in section 102 is not intended to be an additional grant of authority for the President to extend the benefits of trade agreements on less than a nondiscriminatory basis. At the same time, it may well be that certain nontariff barrier agreements will encompass special undertakings or domestic procedures which are necessary for countries to become eligible for the benefits of the agreement, but no county-by-county discrimination would be involved in extending the benefit.

In addition, the bill includes a competitive balance of market opportunities provision stating that the attainment of competitive opportunities for our exports in developed countries equivalent to those accorded in our market to imports is to be a principal U.S. negotiating objective with respect to trade agreements on nontariff barriers. U.S. negotiators are to seek equivalent market access and equality of treatment, as between countries, for agricultural products and for product sectors of manufacturing. To the maximum extent feasible and appropriate, negotiations on nontariff barriers are to be conducted on the basis of product sectors to achieve this negotiating objective.

It is intended that, where feasible, competitive balance should be sought for major product sectors within industry and agriculture. Industrial product sectors are to be defined by the Special Representative for Trade Negotiations together with the Secretaries of Commerce or Agriculture, as appropriate, and after consultation with the Advisory Committee for Trade Negotiations and interested private organizations. The product sectors may be broad in scope as appropriate to best accomplish the negotiating objective.

While the bill does not specifically require the establishment of product sectors in agriculture, it is the committee's intention that, where feasible, competitive balance should also be sought for major agricultural products.

Wherever feasible, however, it is the clear requirement of the Congress that negotiations on nontariff barriers be conducted on a product sector basis to achieve equivalent market access and open, nondiscriminatory trading treatment among countries within the particular product sector. However, other negotiating approaches may be used to achieve solutions to nontariff barriers, and negotiations may take place across sectoral lines with tradeoffs of concessions between sectors, including between agriculture and industry, if a product sector approach is not feasible in a specific case.

Before the President enters into an agreement under this section to reduce barriers or other trade distorting measures he is to consult with the Committee on Ways and Means and the Committee on Finance of the Senate. Consultations should also be held with any other congressional committee with original jurisdiction over the subject matter covered by the agreement. The principal purpose of these consultations is to assess the ways in which domestic statutes or regulations would be affected by the agreement and consequently whether or not further congressional action will be required before the agreement can be implemented.

CONGRESSIONAL VETO PROCEDURE

The bill contains a congressional veto procedure—as an alternative to existing procedures—which is applicable to the implementation of trade agreements. The procedure may be used whether or not further congressional action is required. Thus, the President may submit agreements and implementing documents under this procedure when domestic statutes would be affected or when further congressional action, while not required, would otherwise be appropriate.

To the extent that Congress has authority to change State laws by ordinary legislative action, State laws covered by the subject matter of the agreement could be superseded by the orders and regulations accompanying the agreement.

Any trade agreements involving the reduction or elimination of nontariff barriers submitted to the Congress under this procedure can be implemented and any necessary or appropriate proclamations and orders carried out only if there is compliance with the following procedures:

First, the President must give at least 90 days advance notice to both Houses of Congress of his intention to enter into a trade agreement on a particular subject and must publish the notice in the Federal Register. The purpose of this first 90-day notice requirement is to assure consultation by the executive branch with the Congress, including the appropriate committees of the Congress, on the subject matter of a proposed agreement, to afford the Congress an opportunity to hold hearings, to indicate its reactions to the agreement, and to recommend modifications before it is entered into.

Second, after entering into the agreement, the President must deliver a copy of it and any proclamations and orders proposed for its implementation to both Houses of Congress, with an explanation of how they affect existing law and a statement of the reasons why the agreement serves U.S. interests and why each proclamation and order is necessary and appropriate.

Third, the agreement enters into force and the proclamations and orders take effect only if neither House of Congress adopts, by a majority of those present and voting, a resolution disapproving of the agreement during the 90-day period following the delivery of the documents.

If an agreement, together with the proclamations and orders necessary for its implementation, has been considered by the Congress pursuant to this section and has been disapproved by either House under this provision, it may be resubmitted together with new proclamations and orders, without meeting the requirement of section 102(f)(1) for a preliminary 90-day period of consultation.

The congressional veto procedure is to be considered an optional method of implementation, which is particularly applicable whenever it is determined through consultations with the appropriate congressional committees that domestic statutes would be affected by the nontariff barrier agreement.

Conversion of nontariff barriers to tariffs. This bill enables the President to negotiate trade agreements under section 102 involving the conversion of a U.S. trade barrier to tariffs of a substantially equivalent level of protection. The agreement under section 102 may also provide for the reduction or elimination of that portion of the tariff which represents the conversion of the nontariff barrier. However, the section 102 agreement cannot provide for the reduction of the column 1 rate of duty existing prior to the conversion. Section 101 can be used for this purpose with respect to an article on which a nontariff barrier has been or will be converted under section 102 if the following conditions are met: on or before the date on which the section 102 agreement for conversion of the nontariff barrier is submitted to the Congress under the congressional veto procedure, a statement of the reductions proposed in the column 1 rates under section 101 is also submitted, together with the determination by the Tariff Commission of the converted rates on such articles which afford substantially equivalent protection.

The purpose of these provisions is to insure that the Congress has full and complete information available to it on all tariff modifications proposed under trade agreements before they approve any agreement with respect to an article. These provisions insure that section 101 is not used to reduce a 1973 rate of duty subsequent to congressional consideration under the veto procedure unless the above-described advance notice has been given.

Whether the President chooses to convert the nontariff barrier into tariffs or to negotiate its direct removal or reduction, the congressional veto procedure is available to implement the agreement particularly where the implementation requires changes in domestic statutes. In the absence of further legislation, it is expected that trade agreements modifying the American selling price and the final list methods of customs valuation would be made subject to the congressional veto procedure whether or not the agreements involved the conversion of these measures into tariffs.

The committee has been assured, however, that due to the complexities involved and, in particular, to the unique legislative character of establishing a valuation and classification standards for international trade that the adoption of

a new system of customs valuation or the Brussels tariff nonmenclature will be the subject of a request for affirmative congressional approval through the regular legislative procedure.

OTHER AUTHORITY

Steps to be taken toward GATT revision; authorization of appropriations for GATT. Section 121 provides an authorization for an annual appropriation to pay the U.S. share of expenses of the General Agreement on Tariffs and Trade (GATT).

Although the fundamental objectives of the general agreement tariffs and trade remain valid, developments in the world trading situation in the quarter century since it was negotiated necessitate the making of important changes in the application of the agreement and revision of some of its rules. Those provisions which are obsolete owing to changed circumstances should be updated and others revised in a manner accepted and applied equally by all major countries.

The bill directs the President to take action as soon as practicable to obtain changes in the GATT which will promote the development of an open, nondiscriminatory, and fair world trading system. In particular, the committee has insisted that the President should seek changes in the GATT especially in the following areas:

First, it is neecssary to revise the decisionmaking machinery in the general agreement in order to more nearly reflect the balance of economic interests. GATT participants have increased from an initial 19 in 1947, most of which had comparable economic interests, to 85 in 1973, with widely varying economic interests. The advantages of mediation panels, and of weighted voting as an alternative to the present one vote per country system should be explored.

Second, article XIX of the GATT should be revised to make it a truly international safeguard mechanism which takes into account all forms of import restraints that countries use in response to injurious competition or threat of such competition. The committee does not intend that any modification be so rigid as to make it impossible legitimately to protect against injurious competition nor should it be so flexible as to result in insufficient discipline. What the committee does intend is that the international safeguard mechanism developed will be adhered to by all contracting parties on the basis that no one country or group of countries are favored or are disadvantaged.

Third, the committee recommends that GATT articles be extended to conditions of trade not presently covered in order to move toward more fair trade practices. Many agricultural practices, such as export subsidies, production subsidies, and variable protection at the borders, are not adequately covered by GATT provisions or are not specifically covered. Existing GATT provisions are also inadequate or nonexistent with respect to Government procurement and rules for applying product standards, for example.

Fourth, international fair labor standards and procedures to enforce them should be included in the GATT. The committee is including in this bill certain measures to assist in the economic adjustments which may be necessitated by increased imports. It believes, however, that additional steps are needed which would lead to the elimination of unfair labor conditions substantially disrupting or distorting international trade. The GATT should seek to develop principles with respect to earnings, hours and conditions employment of workers, and to adopt public petition and confrontation procedures.

Fifth, GATT provisions on tax adjustments in international trade should be revised to insure that they will be trade neutral. Present provisions permit adjustments on traded goods for certain indirect taxes but not for direct taxes. The President shall seek such modification of present rules as would remove any disadvantage to countries like the United States relying primarily on direct taxes and put all countries on an equal footing.

Sixth, the committee also recommends revision of the balance-of-payments provisions in GATT so as to specifically recognize import surcharges as the preferred means by which industrial countries may handle balance-of-payments deficits when import restraint measures are required. Such revision should be consistent with whatever arrangements are agreed to in negotiations to reform the international monetary system. In view of recent practice, other countries would probably support revision of the GATT so as to specifically permit import surcharges to be imposed to take care of balance-of-payments problems and to prefer such measures to quantitative restrictions.

BALANCE-OF-PAYMENTS AUTHORITY

Section 122 of the bill provides for flexible authority for the President to deal with fundamental international payments problems, including authority to impose an import surcharge or other import limitations for a period not longer than 150 days—unless extended by act of Congress—to deal with a serious balance-of-payments deficit, to prevent a significant depreciation of the dollar, or to cooperate with other countries in correcting an international balance-of-payments disequilibrium.

Such restraints must be applied to imports from all countries, except that a surcharge may be applied to only those countries which fail to correct a persistent and excessive surplus in their international payments position. The section also authorizes the President to reduce or suspend tariffs or other import restrictions for a period not longer than 150 days—unless extended by act of Congress—to deal with a persistent balance-of-payments surplus, or to prevent significant appreciation of the dollar.

The authority provided the President to deal with fundamental international payments problems in specific situations—subject to the 150-day limitation, if not extended by act of Congress, consists of the following:

First, to impose a temporary import surcharge in the form of a duty not to exceed 15 percent ad valorem, and or temporary quantitative limitations on imports in the case of a serious U.S. balance-of-payments deficit, or to prevent an imminent and significant depreciation of the dollar, or to cooperate with other countries in according an international balance-of-payments disequilibrium.

Second, to reduce temporarily duties by not more than 5 percent ad valorem and/or reduce or suspend temporarily other import restrictions in the case of a persistent U.S. balance-of-payments surplus, or to prevent a significant appreciation of the dollar.

The President may suspend, modify, or terminate, in whole or in part, any action under this section at any time, consistent with the provisions of the section.

The committee believes that this authority could prove useful in those unusual circumstances where such restraints are necessary to deal with serious balance-of-payments problems, but feels that it should be carefully circumscribed. Therefore, the authority is limited to 150 days unless there is further congressional authorization, and to a maximum surcharge of 15 percent ad valorem.

In addition, subsection (e) limits the impact of quotas which the President can impose under this authority. Subsection (e) provides that any quantitative limitation imposed on the quantity or value of an article must not reduce the level of importation of such article, based on quantity or value as the case may be, below the level existing during the most recent period which the President determines to be representative. Since the quotas are for balance-of-payments purposes and are not designed to alter trends in the growth of imports of particular products, any increase since the end of the representative period in domestic consumption of the article must be taken into account.

Quotas may be imposed only if this type of measure is permitted as a legitimate instrument to deal with international balance-of-payments problems by international agreements to which the United States is a party—such as the GATT or the articles of agreement of the IMF—and only to the extent that the fundamental imbalance cannot be dealt with effectively by the imposition of an import surcharge.

For the purposes of subsection (a), a "large and serious U.S. balance-of-payments deficits" shall be considered to exist whenever the President determines that the balance of payments has been in substantial deficit over a period of time and that such deficit is likely to continue in the absence of corrective action. A large decline in the U.S. net international monetary reserve position would be evidence of a serious balance-of-payments deficit.

The committee does not intend that a small or even a large balance-of-payments deficit of short duration would warrant the exercise of the authority under this section.

Even in a situation where use of this authortiy might be justified, it is contemplated that other corrective measures

will be considered before this authority is exercised.

U.S. cooperation in correcting a fundamental international balance-of-payments disequilibrium as reflected in payments positions of other countries is authorized when allowed or recommended by the International Monetary Fund. Multilateral cooperation could include, for example, the implementation of joint actions to restrict imports from a country running large and consistent surpluses, if that country refuses to take measures to ameliorate the payments disequilibrium.

Subsection (c) sets forth the principle that import restricting actions be applied on a nondiscriminatory basis, and quotas be applied on a basis which shall aim at a distribution of trade approaching that which foreign countries might expect in the absence of quotas. In the event that it is necessary for quotas to be used under this section, provision should be made for meeting the needs of small business importers who may find it difficult to keep supply lines open in competition with larger businesses. However, the President may impose a surcharge on a selective basis against one or more countries having large or persistent balance-of-payments surpluses if the President determines that the purposes of this section would best be served by such action. The intent of this provision is to create incentives and pressures on surplus countries which have disproportionate reserve gains and persistently refuse to undertake effective adjustment action, comparable to the incentives to adjust on deficit countries which result from convertibility. Upon the entering into force for the United States of new rules regarding the application of surcharges as a part of reform of internationally agreed balance-of-payment adjustment procedures, the President must impose any surcharge authorized under this section consistently with such new international rules.

In this connection, the committee has provided in subsection (c) that it is the sense of the Congress that the President seek modifications in international agreements aimed at allowing the use of surcharges in place of quantitative restrictions and providing rules to govern the use of such surcharges as a balance-of-payments adjustment measure within the context of arrangements for an equitable sharing of balance-of-payments adjustment responsibility among deficit and surplus countries.

Subsection (d) provides that actions taken under this balance-of-payments provision must be applied uniformly to a broad range of imported products. However, the President may exempt certain articles or groups of articles because of the needs of the U.S. economy relating to such factors as the unavailability of domestic supply at reasonable prices, the necessary importation of raw materials, and avoiding serious dislocations in the supply of imported goods. This authority would permit the nonapplication of an import surcharge to duty-free imports, for example. In addition, exceptions may be made where import restricting actions would be necessary or ineffective. As indicated in the bill these exceptions are to be uniform as to their application. Examples of situations in which import restricting actions would be unnecessary or ineffective might include, among others, situations where goods are in transit, or situations where commitments for the importation of goods are so far advanced, such as binding contracts, that application of the import restrictions would only result in higher prices for goods to domestic interests. The authority to implement import restricting measures or to exempt particular products from such measures cannot be used for the purpose of protecting individual domestic industries from import competition.

Subsection (g) prohibits the President from invoking any provision of law authorizing the termination of tariffs concessions as authority for imposing a surcharge on imports into the United States.

BALANCE-OF-PAYMENTS SURPLUS OR APPRECIATION OF THE DOLLAR

In the case of a persistent balance-of-payments surplus or with respect to efforts to prevent a significant appreciation of the dollar, subsection (b) authorizes the President to reduce temporarily the duty applicable to any article by not more than 5 percent ad valorem and/or to lower the restrictive effect of or suspend temporarily any quantitative limitation applicable to any article.

The President may impose such import measures only for a period of 150 days unless a longer period is authorized by act of Congress. Furthermore, the President may not apply such measures to any article where he determines that such action would cause or contribute to material injury to firms or workers in any domestic industry, including agriculture, mining, fishing, or commerce, impair the national security, or be otherwise contrary to the national interest.

For the purposes of subsection (b), a "large and persistent U.S. balance-of-payments surplus" shall be considered to exist whenever the President determines that the balance-of-payments has been in substantial surplus for a period of time and that such surplus is likely to continue in the absence of corrective measures. A large increase in the U.S. international monetary reserves in excess of needed levels of reserves would be evidence of a larger and persistent U.S. balance-of-payments surplus.

AUTHORITY TO SUSPEND IMPORT BARRIERS TO RESTRAIN INFLATION

The committee has provided the President with authority in section 123 to reduce temporarily import barriers as a means to restrain inflation. This provision is designed to give the President some flexability to initiate anti-inflation import measures which are responsive to the need to insure domestic supply of imported articles at reasonable prices.

Subsection (a) authorizes the President, during a period of sustained or rapid price increases, to reduce or suspend duties and/or increase the level of imports which may enter under other import restrictions on any article or group of articles, if he determines that supplies of such articles are inadequate to meet domestic demand at reasonable prices. While your committee recognizes the breadth of this authority, it feels that such authority has been sufficiently limited.

The duration of any action taken by the President under this section has been limited to 150 days unless a longer period is authorized by act of Congress. Once an article has been subject to an action under this section, it cannot be subject to another such action until 1 year has expired after the termination of the effective period of the prior action. In addition, the committee has provided in subsection (a) that actions taken under this section in effect at any time shall not apply to more than 30 percent of the estimated total value of all U.S. imports of all articles during the time such actions are in effect. Finally, subsection (b) stipulates that the President shall not exercise his authority under this section if in his judgment such action would cause or contribute to material injury to firms or workers in any domestic industry, impair the national security, or otherwise be contrary to the national interest. In addition to excluding from action articles subject to import restraint under section 22 of the Agricultural Adjustment Act, under section 128(b) of the bill, articles subject to special import restraint under the import relief or national security provision are also exempt from action.

COMPENSATION AUTHORITY

The purpose of section 124 is to provide the President with authority to compensate foreign countries for increases in U.S. tariffs or other import restrictions when the United States has been found obligated to pay such compensation for trade restrictions imposed pursuant to an import relief finding under section 203. Authority to reduce duties for purposes of compensation in the past has been the general negotiating authority. Such authority does not presently exist, since the authority to proclaim reduction under section 201 of the Trade Expansion Act expired on June 30, 1967.

Subsection (a) grants the President discretionary authority, whenever import relief has been granted pursuant to the escape clause, to enter into agreements with foreign countries to grant new concessions in the form of modification or continuation of any existing duty or continuation of any existing duty-free or excise treatment to the extent he determines necessary or appropriate to maintain a general level of reciprocal and mutually advantageous concessions.

Subsection (b) limits duty reductions to not more than 30 percent below the existing rate. The President could stage duty reductions if appropriate.

Subsection (c) provides that no agreement may be entered into under this section for the 5-year period following enactment of this act during which time compensation agreements may be negotiated and implemented under the basic negotiating authority of section 101.

The authority can be used where the President has provided import relief pursuant to section 203. In such cases, the United States is required by GATT article XIX to consult with foreign countries having an interest as exporters of

the products concerned. If a satisfactory arrangement is made, that is, if compensation is not forthcoming, countries adversely affected have the right under GATT to restrike the balance of concessions by increasing or imposing equivalent new barriers on U.S. exports. If, on the other hand, the President can offer corresponding or offsetting tariff reductions on other articles, the balance of concessions can be restored without damaging U.S. exports.

It is not intended that this section be interpreted as requiring the payment of compensation by the United States whenever import relief has been granted pursuant to section 203. The GATT provides that countries seeking such compensation must show that they have been adversely affected, and it is expected that no action will be taken under this section until such a showing has been made.

RENEGOTIATION OF DUTIES

In order to cope with problems that may develop in the 2 years following the initial trade negotiation period, section 125 provides the President additional authority, subject to strict limitations and the same legislative standards provided in his basic negotiating authority, to renegotiate tariff agreements. The committee is informed that this authority may be needed to eliminate tariff discrepancies and anomalies that often only become apparent after the results of the major tariff negotiations are more closely examined.

Subsection (a) authorizes the President to enter into trade agreements and to proclaim modifications or continuance of existing duty, duty-free or excise treatment or additional duties to carry out such agreements with foreign countries. The scope of negotiations under this authority is limited so that in any one year, duty reductions or continuation of duty-free treatment are limited to articles which account for not more than 2 percent of the total value of U.S. imports during the previous 12-month period. Duty reductions are limited to 20 percent below the existing rate and no duty rate for any article may be decreased or increased to a rate which is lower or higher than the rate which would have resulted if the maximum authority granted in section 101 had been exercised for that article. In other words, the resulting tariff modification on any article under authority of this section and section 101 may not exceed the limits set forth in subsections 101 (b) and (c).

TERMINATION AND WITHDRAWAL OF AUTHORITY

The bill continues without change the requirement in previous trade legislation that every trade agreement entered into under this bill is subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement. This period is not to be later than 3 years from the effective date of the agreement.

This section also continues the authorization of the President to terminate, in whole or in part, any proclamation made under the bill. This authority has existed in all prior acts since 1934.

Subsection (c) contains explicit authority to implement domestic actions following the suspension or withdrawal of obligations or withdrawal of concessions under such agreements. The authority used in the past for such actions included the termination authority, for example, section 255(b) of the Trade Expansion Act—and the general trade agreement implementation authority—for example, section 201(a)(2) of the Trade Expansion Act.

The purpose of subsection (c) is to provide additional flexibility in existing law to enable the President to exercise U.S. rights and obligations as fully as foreign countries are able to do so under the GATT and other international trade agreements, so as to protect U.S. trading interests in the context of the procedures of GATT or other trade agreements. It specifically authorizes the President to give domestic legal effect to the withdrawal or suspension of trade agreement concessions to any foreign country in the exercise of our international rights and obligations and is intended to replace his general authority to withdraw or suspend obligation trade agreement concession in exercising U.S. rights or obligations under the GATT. The authority enables the President to react to actions by other countries and also to implement the withdrawal of U.S. concessions under the renegotiation rights of the GATT.

This subsection explicity deals with the questions of partial withdrawal of concessions—setting intermediate rates between those presently in existence and those previously in existence—and terminating for a time, that is suspending, obligations or concessions. This explicit authority is necessary to clarify these technical issues which hinder flexible administration of the trade agreements program and as indicated is intended to replace the general authority which in the past was used for such purposes.

If the withdrawal takes the form of imposing or increasing tariffs, the new duty rate may be set at any level up to 20 percent ad valorem above July 1, 1973 rates of duty, or 50 percent above the statutory rate of duty, whichever is greater. For example, if the present tariff is 10 percent and the column 2 rate is 40 percent, a new tariff could be set at any level between 10 and 60 percent. Tariff increases may be applied temporarily, and then returned to prior concession levels. This section does not contain independent authority to decrease tariffs although the suspension of a previously negotiated tariff increase, which have been rare in the past, could have this effect.

The use of this authority will be limited to the exercise of U.S. rights and obligations under international trade agreements. It is not the intention to use this authority either as a substitute or extension of other authorities under this or other acts. It could no be used, for example, and it is clearly intended that it not be used to impose a surcharge for balance of payments purposes.

Subsection (d) provides for the continuation of the trade agreement rates of duty for a period of 1 year unless and until the President or Congress acts to modify those rates. Within 60 days following the termination of any trade agreement, the President is required to submit to Congress recommendations for the maintenance or modification of the rates affected. The President is authorized to terminate the proclamations giving effect to the trade agreement rates, thereby reinstating the prior proclaimed rate, or, if there is none, the statutory rate.

The administration has requested an explicit procedure for dealing with rate changes following international actions which terminate the effect of international agreements. Were domestic tariffs to be required to "spring back" to the stautory rate if trade agreements were terminated, the result would be chaotic. A sudden reversion to the 1930 rates could give a severe shock to the Nation's economy. Similarly, our export sales could be affected drastically by withdrawal of foreign tariff concessions. Under this provision, a spring-back is explicitly prevented for a period of 1 year, to permit the President and the Congess to make a considered determination of the appropriate rates. Thus, under this provision, if a trade agreement, or any part of it were terminated, the parties could choose to maintain their staff concessions in the absence of the trade agreement. The United States would thus also be able to apply its concession rates on the basis of de facto mutual benefit, perhaps pending the renegotiation of a terminated trade agreement.

In examining the situation regarding the status of rates of duty once their trade agreement "reason for being" has been terminated, the committee was concerned both with the possible effects of a sudden return to higher rates of duty, and also with the implication that the United States would take no action should other countries terminate their trade agreement obligation to the United States by terminating a trade agreement. Clearly, such a situation requires a review of future action in the trade field by the Congress. Thus, the committee has amended the original proposal of leaving terminated rates of duty to the discretion of the President, and provide for possible congressional action after recommendation by the President.

NONDISCRIMINATORY TREATMENT

With certain exceptions contained in the bill or in other existing legislation, section 127 requires that duties, other import restrictions, and duty-free treatment proclaimed in carrying out any trade agreement under title I shall apply to the products of all countries whether imported directly or indirectly. This provision is substantially the same as section 251 of the Trade Expansion Act of 1962.

The principle that duty reductions as well as other trade concessions shall be extended without discrimination among countries entitled to such treatment is known in international law as the most-favored-nation principle. This principle has been the continuing basis of U.S. efforts to achieve an open and nondiscriminatory world trading system and is consistent with past U.S. trade agree-

ments legislation and our international obligations. It is indeed the cornerstone of the GATT, and departure from the principles of nondiscriminatory treatment is threatening international cooperation.

Exceptions from the requirement for nondiscriminatory treatment authorized in the bill would include: First, generalized preferential tariff treatment extended to certain developing countries under title V; second, surcharges imposed on imports from countries in persistent balance-of-payments surplus as authorized in section 122; third, retaliation against unreasonable and unjustifiable restrictions under section 301; and fourth, countries not now receiving nondiscriminatory treatment and which would not qualify for nondiscriminatory treatment under title IV.

Reservations for national security or other reasons. No reduction or elimination of existing import restrictions on any product is authorized by the bill if the President determines that such action would impair national security. A parallel provision is contained in the Trade Expansion Act of 1962 (sec. 232 (a)). Section 232(b) of the TEA, which authorizes the President to adjust imports of any article when he determines that such imports threaten or impair national security, will also remain in effect. Section 128 ofthis bill requires that not later than 60 days after taking an import action under section 232 of the Trade Expansion Act for reasons of national security, the President shall submit a report to Congress stating the reasons for his action. Annual reports to Congress on section 232 are also required.

The President is required to reserve from trade negotiations or from other authorized actions which reduce or eliminate import restrictions any article (1) for which a national security determination has been made or (2) which is subject to an import relief measure under section 203 of the bill or section 351 of the TEA He may similarly reserve any other article when he considers this appropriate, taking into account information and advice provided by the Tariff Commission, advice from the appropriate Departments, and information gathered in public hearings.

HEARINGS AND ADVICE CONCERNING NEGOTIATIONS

Tariff Commission advice. In connection with the proposed trade agreements, the President must make public and submit to the Tariff Commission lists of articles to be considered from modification or continuance of duties or excise treatment in negotiations under section 101, 102, 124, or 125. For articles considered for duty modification, the list shall specify the provision of title I under which such consideration may be given. The President must seek the advice of the Tariff Commission before proclaiming preferences for articles imported from eligible developing countries under title V.

The Tariff Commission must advise the President, within 6 months, of the probable economic effect of duty modifications on the domestic producers of competitive articles and on consumers for each article listed. This advice is sought to assist the President in making an informed judgment of the effect of duty modifications on the various segments of the U.S. economy. The advice to the President may also include the Tariff Commission's consideration as to whether a duty reduction on any article should be staked over a longer period than the minimum provided in section 103.

The Tariff Commission shall also report to the President, at his request the probable economic effect of the modification or elimination of trade barriers through negotiations under section 102. Such advice shall, where feasible, include the probable economic effect of modification of such trade barriers to international trade on domestic industry and purchasers and on domestic prices and supply of articles. The advice contemplated under this section should include the extent to which market access would be increased or otherwise affected by modification or elimination of the trade barrier.

Any converted duty rates, affording substantially equivalent tariff protection as the trade barrier, which are required under section 102(g) shall be included in the advice to the President under this section.

In preparing its advice, the Tariff Commission must hold public hearings and investigate and analyze certain economic factors which are identical to those listed in the Trade Expansion Act of 1962. It is intended that the Tariff Commission make a special effort, to the extent feasible, to study foreign production and marketing factors.

Departmental advice. The President under section 132 is required to seek information and advice prior to entering into any proposed trade agreement under section 101, 102, 124, or 125, and before proclaming preferences for imports from eligible developing countries under title V, from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and the Treasury, and from the Special Representative for Trade Negotiations. He may also seek information and advice from other sources he may deem appropriate. This provision is substantially the same as section 222 of the Trade Expansion Act of 1962. It is intended to assure that the President receives the views of agencies most concerned with the outcome of the negotiations.

Public hearings. Section 133 of the bill requires the President to provide for public hearings in which any interested person may present his views on any proposed trade agreement or the modification of any duty or other import restriction provided for under section 101, 102, 124, or 125. Such hearings are also required before any article is designated an "eligible article" for purposes of generalized tariff preferences for developing countries under title V of the bill. These hearings will be of substantial value in insuring what a full range of views is presented in all proposed trade agreements.

PREREQUISITE FOR OFFERS

In negotiating a trade agreement under section 101, 192, 124, or 125 the President may make an offer to modify or continue a duty or to continue duty-free or excise treatment or impose additional duties, with respect to any article only after receiving a summary of the public hearings held with respect to that article and advice from the Tariff Commission—if received within the 6 months' time limit—of the probable effects of modifications in the existing customs treatment. These procedures must also be followed with respect to articles considered for preferential status for a beneficiary developing country under title V of this bill.

Advice from private sector. The purposes of section 135 are to establish the institutional framework to assure that representative elements from the private sector have the opportunity to make known their views to U.S. negotiators, and to provide the latter a formal mechanism through which to seek information and advice from the private sector, with respect to U.S. negotiating objectives and bargaining positions before the President enters into a trade agreement concluding the multilateral trade negotiations.

This section provides for the creation of two general types of advisory committees and in addition requires the President to provide opportunity for the submission of information and recommendations on an informal basis by other private organizations or groups. One overall policy-level Advisory Committee for Trade Negotiations is established. This committee will be composed of representatives of Government, labor, industry, agriculture, consumer interests, and the general public. The advisory committee is to be composed of not more than 45 members. The broad range of interests to be represented on this committee is intended to provide U.S. negotiators with a balanced view of what objectives U.S. negotiators should pursue in the multilateral trade negotiation.

The requirement that the President also establish advisory committees for particular product sectors to be representative, so far as practicable, of all industry, labor, or agricultural interests in the sector concerned reflects your committee's concern, that in past trade negotiations there has not been adequate input from U.S. producers who are in the best position to assess the effects of removing United States and foreign trade barriers on their particular products.

The emphasis of the procedures provided is to strengthen the hand of our negotiators by their knowledge and familiarity with the problems domestic producers face in obtaining access to foreign markets. Therefore, these committees must be representative of the producing sectors of our economy. The committee believes that special consideration should be given to consultation with those representing the interests of small business.

The kinds of advice with respect to particular products which your committee believes will be useful to U.S. negotiators during preparations for, and con-

duct of, the negotiations include: Policy advice and information on negotiations on particular products both domestic and foreign; and advice on other factors which are relevant to positions of the United States in trade negotiations. It is anticipated that the advisory committees will be particularly helpful in identifying opportunities for expanded U.S. exports. However, their advice on the balance of market access being sought in the sectors in agriculture and manufacturing also should serve as a guide to our negotiators.

The Special Representative for Trade Negotiations is, of course, not bound by the advice of any particular group of producers. Advisory committees are entitled to be informed at an appropriate time when their advice and recommendations have not been accepted. Provision is also made in this section for inclusion in the President's report on the results of the negotiations, a report on the consultations with these committees, the issues involved in such consultations, and the reasons for not accepting their advice and recommendations. The report must indicate the extent to which the advice of the advisory committees was or was not accepted.

If the product advisory committees are to play an effective role in the negotiations they should be privy to our negotiating objectives, strategy, and tactics. These are not subjects which can be discussed in open meetings with the public, including representatives from other governments and the press. For that reason, your committee has included a provision which stipulates that whenever, and to the extent it is determined by the President or his designee, that such meetings will be concerned with matters the disclosure of which would seriously compromise the Government's negotiating objectives or bargaining positions, meetings of the product advisory committees may be exempted from the requirements of subsections (a) and (b) of section 10 of the Federal Advisory Committee Act—relating to open meetings, public notice, public participation, and public availability of documents.

It is anticipated that, as the advisory committees begin discussion of U.S. negotiating positions, one determination could be issued for all future meetings on that subject.

We have also provided that information received in confidence by an advisory committee may not be disclosed to any person other than to officers or employees of the United States designated by the Special Representative for Trade Negotiations, by the Committee on Ways and Means of the House of Representatives, or by the Committee on Finance of the Senate, to receive such information.

In addition, there is a provision in this section to assure private organizations or groups, including those whose interests may not be fully represented by any of the formally constituted advisory committees, the opportunity to sumbit pertinent information and recommendations on an informal basis to U.S. negotiators.

Finally, it is made clear that this section should not be construed to authorize or permit any individual to participate directly in any trade negotiation. In trade negotiations conducted under the auspices of the General Agreement on Tariffs and Trade, the direct participation of persons other than Government representatives is generally not permitted.

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Section 141 of the bill would establish the Office of the Special Representative for Trade Negotiations, and, therefore, would continue and more firmly establish the Special Representative for Trade Negotiations as the official who, acting for the President, is to be the chief representative of the United States for trade negotiations under trade agreement negotiating authority.

This position was established in the Trade Expansion Act of 1962 with the implicit intention of providing the Congress with a focal point in the executive branch for responsibilities for carrying out the authorities delegated to the President by the Congress under trade agreement legislation. As indicated in the legislative history, the position was created to provide both better focus and centralized direction for treating trade negotiations and trade problems from an overall commercial point of view—and to downplay the strictly foreign policy orientation that trade agreement negotiations had been subjected to in the past under the leadership of the Department of State.

While there has not developed as close a relationship as is desirable between the Special Trade Representative and the appropriate committees in the Congress, the bill, in establishing the Office of the Special Trade Representative, is reaffirming the conclusion that a strong and independent office, headed by a Government official reporting directly to the President and responsible to the Congress, is the best means of assuring that in trade policy matters the United States is speaking with one strong voice on behalf of the executive branch and that positions taken accurately reflect the intent of the Congress.

Because it is necessary that the Special Representative for Trade Negotiations be recognized as the chief trade representative of the United States—as provided by the bill—the committee attaches great importance to the establishment of the office as a necessary support for the Special Representative for Trade Negotiations in his extremely important duties in acting for the President, and in speaking for the United States and the Congress in the forthcoming multilateral trade negotiations.

At the same time, the committee believes the Special Representative for Trade Negotiations should be assisted by two deputy representatives for trade negotiations who can act for, and share the responsibilities with, the Special Representatives for Trade Negotiations.

The bill provides that the Special Representative and the two deputies shall be appointed by the the President, by and with the advice and consent of the Senate. The Special Trade Representative for Trade Negotiations will have the rank of Ambassador Extraordinary and Plenipotentiary and his deputies shall hold the rank of Ambassador. The committee intends in the establishing of the Office of the Special Representative that the Special Representative and his two deputies holding office prior to the effective date of the act, if already confirmed by the Senate, continue in office without further confirmation.

As indicated, the bill provides that the Special Trade Representatives for Trade Negotiations shall be the chief representative of the United States for each trade negotiation under title I, or section 301 of the bill regarding unfair trade practices; he shall be responsible to the President and the Congress for the administration of the trade agreements program—he shall advise the Congress with respect to nontariff barriers, international commodity agreements, and others related to the trade agreements program; and he shall be responsible for making reports to the Congress on the operations of the trade agreements program as required in other provisions of the bill.

The Special Representatives for Trade Negotiations shall also be Chairman of the Interagency Trade Organization established pursuant to section 242(a) of the Trade Expansion Act of 1962 and, consistent with that provision and with this bill, consult with other Federal agencies in the performance of his duties.

Despite the creation of the position of the Special Representative for Trade Negotiations in 1962, your committee has been greatly concerned at the lack of focus in the conduct of trade policy, and at the lack of an effective, cooperative interchange with the Congress on policy matters and issues under its jurisdiction which are of considerable significance and importance to the economic welfare of the United States and its people. It is the intent of your committee, that through the establishment of the Office in question, together with the public and congressional advisory committee structure envisaged in the bill, that greater cooperation between the executive branch and the Congress—serving the practical needs of trade and commerce to a greater extent than in the past—will be achieved.

The committee did not provide in the bill for the transfer of outstanding appropriations from the existing office to the office statutorily established under the bill. It is intended by the committee that such funds be so transferred.

CONGRESSIONAL DISAPPROVAL PROCEDURES WITH RESPECT TO PRESIDENTIAL ACTIONS

Due to the unique nature of nontariff barriers and other distortions of trade including their relationship to domestic law and the problems of the implementation of trade agreements providing for their reduction or elimination, it has been difficult to develop appropriate trade agreements authority in this area. The President, in his trade proposals embodied in H.R. 6767, proposed a procedure encompassing review and possible congressional veto of trade agreements submitted by the President to the Congress when he determined further congressional action for the implementation of such trade agreements was necessary.

In considering the President's propo-

sal on nontariff barriers, the committee determined that it would be constitutionally more appropriate that the Congress authorize the President to enter into trade agreements providing for the reduction or elimination of nontariff barriers and other distortions under specific guidelines, since the implementation of such trade agreements often involved other domestic legislation. The committee also has considerably tightened the provision with respect to congressional disapproval procedure for agreements negotiated and presented to the Congress, and for proposals for their implementation. Consultations with the appropriate committees are required, including the Committee on Ways and Means in the House and the Committee on Finance in the Senate. Moreover, it is envisaged that there will be continuing consultations with the congressional delegation to the negotiations as provided in section 161 of the bill.

In developing the procedures for congressional consideration of trade agreements respecting nontariff barriers, the committee determined that in a number of other instances authorities granted to the President might also be subject to the same procedures for possible disapproval. Thus, in addition to the procedures for disapproving nontariff barrier agreements, the bill provides that such procedures will be used with respect to: (a) actions the President might take with respect to import quotas and orderly marketing agreements under section 203, (b) actions the President might take with respect to unfair trade practices under section 301 and, (c) findings the President might make and actions the President might take with respect to the extension of or continuation of nondiscriminatory treatments to the products of certain state trading countries.

The bill, therefore, provides for the consideration of resolutions disapproving the entering into trade agreements on distortions of trade or disapproving certain other actions as discussed above. A resolution respecting the subject matter described may be referred to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate, as well as other committees of original jurisdiction with respect to the entering into force of trade agreements on distortions of trade. The bill provides that resolutions disapproving the actions proposed by the President may be discharged from the appropriate committee if no action has been taken by such committee at the end of the 7 calendar days.

Such a motion to discharge is highly privileged and may be made only by an individual favoring the resolution, and the debate on such a motion should be limited to not more than 1 hour, time to be equally divided between the opponents and proponents. An amendment to the motion is not in order and it will not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

When the committee to which the resolution has been referred has reported, or has been discharged from further consideration of, a resolution, it will be in order at any time thereafter to proceed to the consideration of the resolution, and such motion is highly privileged and is not debatable. Debate on the resolution shall be limited to no more than 10 hours to be equally divided between opponents and proponents.

If, at the end of 90 days after the date which a document referred to in sections 102(f), 204(b), 302(b), or 406(a) or (b) has been transmitted to the Congress, neither House has acted favorably on a motion to disapprove of the action proposed to be taken by the President, such action will become effective.

CONGRESSIONAL LIAISON AND REPORTS

Participation by Members of Congress as advisers to the negotiating delegation, and the consultations will be required with respect to actions contemplated by the President under the authorities granted him by the bill. Section 161 envisages a degree of consultations and oversight activity not previously considered under past extension of trade agreements authority.

In order to meet this need, and in order for the Congress to carry out its responsibilities through the Committee on Ways and Means of the House and the Committee on Finance of the Senate, the bill provides that there shall be five Members of each House selected by the President to serve as accredited official advisers to the U.S. delegation to international conferences, meetings, and negotiating sessions, with respect to trade agreements. In the case of the five Members, each either from the House and from the Senate, no more than three shall be of the same political party—their selection by the President shall be upon the recommendation of the Speaker of the House or the President of the Senate, respectively. It is contemplated that the congressional advisers shall attend the negotiating sessions of the forthcoming multilateral trade negotiations and shall serve at other conferences, meetings, and sessions involving trade agreements.

The President shall appoint the congressional delegation to negotiations at the beginning of each regular session of Congress.

It is the consensus of the committee that the congressional delegates be selected on the basis of annual rotation in order that in the course of the 5-year period of negotiating authority, each member of the committee will have had the opportunity to serve as a congressional delegate if he so desires. On the other hand, in view of the need for some continuity, members may be reselected if that is found to be desirable. Given the unique grant of authority under the bill, the committee considers the continuing service of members of the Committee on Ways and Means as congressional delegates to negotiations to be an essential feature of oversight responsibilities of the committee.

In this provision and in other provisions of the bill, the committee has provided for its oversight responsibilities. For example, it is anticipated that the committee will hold frequent meetings of the full committee to be briefed by the committee staff, by a representative of the executive branch, and by its own members who are serving as congressional delegates, on developments in the multilateral negotiations and in trade policy. It is the plan of the committee that such briefing sessions will serve as a basis for periodic formal reports by the committee to the House. In addition, it is planned by the committee that public hearings will be held annually on the report required to be submitted by the President to the Congress on the operations of the trade agreements program and the other provisions of the bill. It is expected that, with the enactment of this act, such annual reports will be submitted no later than March 31 of the year following the period for which the report is submitted. Further, the committee intends that the Tariff Commission update and give priority to the required annual reports on the operations of the trade agreements program. It is the sense of the committee that this report by the Tariff Commission also be made timely by the submission of the report not later than 3 months after the end of the period for which the report is being prepared.

The bill provides in section 162 that, as soon as practicable after a trade agreement has been entered into, the President shall submit a copy of the trade agreement to the Congress, together with a statement, in light of the advice provided by the Tariff Commission under the prenegotiation procedures, the reasons for his entering into the agreement. It shall be noted that section 102 requires that the President include in this report a sector-by-sector analysis of the extent to which trade agreements afford competitive opportunities for U.S. exports equivalent to the competitive access afforded by the United States to the importation of like or similar products, taking into account all barriers (including tariffs) and other distortions of international trade affecting that sector.

RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION

Title II of the bill constitutes a major revision of the "escape clause" or trade adjustment and adjustment assistance provisions of the Trade Expansion Act.

IMPORT RELIEF

Section 201 outlines procedures to be followed by the Tariff Commission in conducting an investigation to determine the existence of serious injury to a domestic industry due to imports. It also contains changes in existing criteria to be taken into account in making such a determination.

First, filing of petitions. A petition for eligibility for import relief may be filed with the Tariff Commission by an entity, including a trade association, firm, union, or group of workers, which is representative of an industry. The petition must include a statement describing the specific purposes for which import relief is sought, which may include the facilitation of the transfer of resources to alternative uses and other means to adjust to new competitive conditions.

The Tariff Commission must transmit

a copy of any petitions to the Special Representative for Trade Negotiations and to the Government agencies which are directly concerned in particular cases, such as the Departments of Agriculture, Commerce, Interior, Labor, States, and Treasury.

Second, injury determinations. The Tariff Commission must conduct an investigation at the request of a petitioner, the President, the Special Representative for Trade Negotiations, the Committee on Ways and Means, or the Senate Finance Committee, or on its own motion to determine whether an article is being imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. The Tariff Commission must hold public hearings during the course of its proceedings.

The term "like or directly competitive" used in the bill to describe the products of domestic producers that may be adversely affected by imports, was used in the same context in section 7 of the 1951 Extension Act and in section 301 of the Trade Expansion Act. The term was derived from the escape-clause provisions in trade agreements, such as article XIX of the GATT. The words "like" and "directly competitive," as used previously and in this bill, are not to be regarded as synonymous or explanatory of each other, but rather to distinguish between "like" articles and articles which, although not "like," are nevertheless "directly competitive." In such context, "like" articles are those which are substantially identical in inherent or intrinsic characteristics—that is, materials from which made, appearance, quality, texture, and so forth—and "directly competitive" articles are those which, although not substantially identical in their inherent or intrinsic characteristics, are substantially equivalent for commercial purposes, that is, are adapted to the same uses and are essentially interchangeable therefor.

The term "industry" includes entities engaged in agricultural activities. In determining the domestic industry producing an article like or directly competitive with an imported article, the Tariff Commission may, in the case of a domestic producer which imports, treat as part of such domestic industry only its domestic production. In the case of a domestic producer which produces more than one article, the Commission may choose to treat as part of such domestic industry only that portion or subdivision of the producer which produces a like or directly competitive article.

Where a corporate entity has several independent operating divisions, and only some of these produce the domestic article in question, the divisions in which the domestic article is not produced may be excluded from the determination of what constituted the "industry" for purposes of the investigation and finding. It is the intent of the committee that unless there are compelling reasons, including economic adjustment possibilities, for not excluding such operations they should not be included. The concern of the Tariff Commission would be with the question of serious injury to the productive resources—for example, employees, physical facilities, and capital—employed in the divisions or plants in which the article in question is produced.

With respect to multiproduct plants or subdivisions in which productive resources are devoted to producing several individual product lines, of which only one is the subject of the Tariff Commission investigation, the Commission would be concerned with the question of serious injury with respect to the operating unit as a whole which produces the product concerned, not merely the specific product line in question. For example, if a plant or subdivision produces product lines A, B, C, and D, of which only product line A is the subject of the investigation, the Commission would investigate the viability of the operating unit as a whole producing the four products, and whether internal adjustment through the shifting of its productive resources to the production of product lines B, C, or D have been or could be achieved. The Commission would not be expected to find import injury to that establishment—as part of the basis for finding serious injury to the entire industry—if serious injury or the threat thereof did not exist with respect to its operations as a whole. The extent to which the products of a multiproduct establishment can be separately considered is necessarily affected by the accounting procedures that prevail in a given case and the practicability of distinguishing or separating the operations of each product line.

The elimination from section TEA 301 (b)(1) of the language "as a result in major part of concessions granted under trade agreements" would broaden the President's authority to proclaim increased import restrictions. At present, such authority applies only to products the subject of trade agreement concessions. The Tariff Commission in making its report of investigations under section 201(b), will necessarily take into account imports from all countries and the various rate levels associated with the so-called preferential and MFN rate treatments in rate column numbered 1 of the TSUS and with the generally higher rate treatment in column numbered 2 applicable to the products of designated Communist countries.

One major change in existing law—section 301(b) of the Trade Expansion Act—is the deletion of the requirement that the increased imports result from concessions granted under trade agreements. The second major change is the substitution of "substantial cause" for "major cause." "Major" has been understood to mean greater than all other factors combined. The bill defines "substantial cause" as "a cause which is important and not less than any other cause. The committee intends that a dual test be met—imports must constitute an important cause and be no less important than any other single cause. For example, if imports were just one of many factors of equal weight, imports would meet the test of being "not less than any other cause but it would be unlikely that any of the causes would be deemed an "important" cause. If there were any other cause more important than imports, then the second test of being "not less than any other cause" would not be met. On the other hand, if imports were one of two factors of equal weight and there were no other factors, both tests would be met.

A new section has been added concerning the factors to be taken into account by the Tariff Commission in determining serious injury, threat of serious injury, and substantial cause. These factors are not intended to be exclusive. It is important to note that the Commission is directed to take into account all economic factors it considers relevant. The committee did not intend that an industry automatically would satisfy the eligibility criteria for import relief by showing that all, or some of the enumerated factors, were present at the time of its petition to the Tariff Commission. That is a judgment to be made by the Tariff Commission on the basis of all factors it considers relevant.

In making its determination with respect to serious injury, the Tariff Commission shall take into account the significant idling of productive facilities in the industry, the inability of a significant employment or underemployment in the industry.

With respect to threat of serious injury, the Tariff Commission shall consider a decline in sales, a higher and growing inventory, and downward trend in production, profits, wages, or employment (or increasing underemployment) in the domestic industry concerned. The existence of any of these factors such as the growth in inventory would not be relevant to the threat of injury from imports if it resulted from conditions unrelated to imports. In addition to the factors listed in section 201(b)(2)(B), the Tariff Commission shall take into account all factors which it considers relevant. It is the intention of the committee that the threat of serious injury exists when serious injury, although not yet existing, is imminent.

With respect to "substantial cause," the Tariff Commission shall consider an increase in imports—either actual or relative to domestic production—and a decline in the proportion of the domestic market supplied by domestic producers.

To assist the President in making his determination under sections 202 and 203, the Tariff Commission will also investigate and report on efforts by firms iin the industry to compete more effectively with imports. Furthermore, the Tariff Commission will be required, whenever in the course of its investigation it has reason to believe that the increased imports are attributable in part to circumstances which come within the purview of the Antidumping Act, countervailing duty statutes—section 303 of the Tariff Act of 1930, or the unfair import practices statutes—section 337 of the Tariff Act of 1930, or other remedial provisions of law, promptly to notify the appropriate agency so that such action may be taken as is otherwise authorized by such provisions of law. Action under one of those provisions when possible is

to be preferred over action under this chapter.

This provision is designed to assure that the United States will not needlessly invoke the escape-clause—article XIX of the GATT—and will not become involved in granting compensatory concessions or inviting retaliation in situations where the appropriate remedy may be action under one or more United States laws against unfair competition for which action, no compensation or retaliation is in order.

Third, reports to the President. As under the Trade Expansion Act, the Tariff Commission must report to the President the findings and their basis under each investigation, and include in each report any dissenting or separate views. The Tariff Commission will furnish the President a transcript of the hearings and any briefs submitted in the course of the investigation. The Commission will also make public its report—except confidential information—and include a summary in the Federal Register.

The reports of the Tariff Commission are to be filed not later than 6 months after the date on which the petition was filed. The Tariff Commission will include a finding in its report to the President, in cases in which it has found injury, or threat thereof, as to the duty or other import restriction which is necessary to prevent or remedy such injury or threat.

Fourth, subsequent and continuing investigations. The Tariff Commission will not investigate the same subject matter under a previous investigation under the bill unless 1 year has elapsed since the Tariff Commission made its report to the President of the results of the previous investigation, except where the Tariff Commission determines that good cause exists. The committee believes that this exception is necessary for those instances in which an industry can produce to the satisfaction of the Commission sufficient new evidence to warrant reconsideration of the case. The rule that no new investigation may be begun unless 1 year has elapsed does not apply to investigations initiated under the provisions of the Trade Expansion Act, which resulted in negative determinations. These cases may be the subject of a new investigation at any time following enactment of this bill.

Any investigation which is in progress upon enactment of this bill shall be continued in the same manner as if the investigation had been instituted originally under the provisions of this bill. The request for any such investigation shall be treated as if it had been made on the date of enactment of this bill. In addition, any affirmative finding pursuant to the TEA on which the President has not taken action on the date of enactment of this bill shall be treated as an affirmative finding and as having been received by the President on the date of the enactment of this act.

The President's authority to extend any tariff adjustment action taken under section 351 of the Trade Expansion Act of 1962 is repealed by section 602(d) of this bill. This does not prevent an industry having current escape clause relief from petitioning for new import relief under this bill. The mandatory 2-year period between periods of import relief when no relief can be given does not apply to the period immediately following escape clause relief under the 1962 act.

PRESIDENTIAL ACTION AFTER INVESTIGATIONS

Section 202 provides for a determination by the President within a specific time period whether to provide import relief following an affirmative finding by the Tariff Commission of injury to an industry due to imports. It also enumerates factors which the President must take into account in this determination.

First, President's authority. After receiving a report from the Tariff Commission containing an affirmative finding of injury to an industry due to imports, the President is required to evaluate the extent to which adjustment assistance has been made available, or can be made available, to the workers and firms of the industry. After this evaluation he may direct the Secretary of Labor and the Secretary of Commerce to give expeditious consideration to petitions for adjustment assistance. In addition, he may provide import relief for the industry under section 203.

Second, factors to be considered. The President must take into account various considerations in determining whether to provide import relief. In addition to other considerations the President may deem relevant, he must take into account: information and advice from the Secretaries of Labor and Commerce with regard to adjustment assistance; the probable effectiveness of import relief as a means to promote adjustment, and the efforts to adjust to import competition being made or to be implemented by the industry concerned; other considerations relative to the position of the industry in the Nation's economy; the effect of relief on consumers; the effect of import relief on the U.S. international economic interest; the impact on U.S. industries and firms of any possible modification of duties which may result from payment of compensation to foreign countries; geographic concentration of imported products marketed in the United States; the extent to which the U.S. market is the focal point for exports of the article because of restraints on exports or imports of the article with respect to third country markets; and the economic and social costs which would be incurred by taxpayers, communities, and workers if import relief were, or were not, provided.

The President may request additional information from the Tariff Commission within 45 days after the date on which he receives an affirmative finding of injury. The Commission must furnish this additional information in a supplemental report within 30 days—60 days where extensive additional information is requested—of the request.

Third, time limit and report to Congress. The President must make his determination whether to provide import relief under section 203 within 60 days after receiving from the Tariff Commission an affirmative finding of injury or an evenly divided decision which he may treat as an affirmative finding. The committee notes that this provision eliminates an anomaly in existing law which imposes no time limit on the President's decision respecting evenly divided reports by the Tariff Commission which the President may consider as affirmative. For those cases in which the President has requested supplemental information from the Tariff Commission, he must act within 30 days of receipt of the supplemental information. If the President decides to provide import relief, he is required to do so within the additional periods provided in Section 203. If he determines not to provide import relief, he is required to submit immediately to both Houses of Congress a report stating the considerations on which his decision was based.

IMPORT RELIEF

First, President's authority. Section 203 establishes a preferred order for providing import relief. The order is: Increases in, or imposition of, duties; tariff-rate quotas; quantitative restrictions; and orderly agreements. Any of these measures may be used in combination. Duty increases under the first item in the order of preference may include the suspension of the application of items 806.30 and 807.00 of the Tariff Schedules to the article, in whole or in part, or the termination of the eligibility of an item for preferential treatment pursuant to title V.

The relief will be granted to the extent and for such time—not to exceed 5 years—the President determines necessary to prevent or remedy serious injury, or threat thereof, to the industry, and to facilitate its orderly adjustment to new competitive conditions.

Second, requirements and time limits. The President is required to report to the Congress on the relief provided. The report must include his reasons for choosing to provide import relief as a remedy rather than relying on adjustment assistance, as well as his reasons whenever he selects a method of relief which ranks lower in preference. Whenever the President provides relief in the form of quotas or an orderly marketing agreement, he is required under section 204 to submit his detemination to the Congress for possible disapproval through a 90-day veto procedure provided in chapter 5 of title I.

No import relief shall be provided unless due diligence has been exercised to notify those persons who may be adversely affected by the provision of such relief, and have been given a reasonable opportunity to be present, to produce evidence, and to be heard at a public hearing. The usual Government means of notice will be used for this purpose.

Import relief in the form of a suspension of the provisions of tariff items 806.30 and 807.00 or a termination of preferential duty status for an item pursuant to title V is permitted only when the Tariff Commission has determined in the course of its injury investigation that the serious injury—or threat thereof—to the domestic industry results from the application of items 806.30 or 807.00, or from generalized preferences under title V. It is the intention of the committee

that neither the suspension of the application or item 806.30 and 807.00 or the termination of the preferential tariff status of an article under title V is to be considered as an action affecting the international obligation of the United States.

No rate of duty can be increased by, and no duty imposed of, more than 50-percent ad valorem above the rate existing at the time of the President's proclamation. For example, a duty of 25-percent ad valorem could be increased to a rate of 75-percent ad valorem; a rate of 50-percent ad valorem could be imposed on an item which was duty free at the time of the proclamation. When implementing quotas or orderly marketing agreements, the President must establish a level of permissible imports which is not less than the quantity or value of such article imported into the United States during the most recent period which he determines to be representative of imports of the article.

Import relief—in the form of tariffs, tariff-rate quotas or quantitative restrictions—is to be proclaimed not later than 15 days after the President has determined to provide import relief. In the case of an initial orderly marketing agreement, it must be entered into not later than 180 days after the President has determined to provide import relief. If, within 15 days after the import relief determination date—the date of the President's determination under section 202 to provide relief—the President announces his intention to negotiate one or more orderly marketing agreements, the taking effect of any initial proclamation imposing duties, tariff-rate quotas, or quotas may be withheld until the entering into effect of an orderly marketing agreement which is entered into on or before the 180th day after the import relief determination date. The application of any such initial proclamation may be suspended only while such agreement is in effect.

As noted above, for purposes of the import relief, suspension of tariff items 806.30 and 807.00 and the suspension of the designation of any article as an eligible article for purposes of generalized system of preferences shall be treated as an increase in duty. However, no such suspension of either kind may be made unless the Tariff Commission, in addition to an affirmative finding under section 201(b), determines in the course of its investigation under section 201(b) that the serious injury—or threat thereof—to the domestic industry producing a like or directly competitive article results from the application of item 806.30 or item 807.00, or from the designation of the article as an eligible article for purposes of the generalized system of preferences.

Third, administration of orderly marketing agreements and quantitative restrictions. The President may issue regulations governing import entries where import relief consists of quotas or one or more orderly marketing agreements. In order to carry out an orderly marketing agreement, the President is authorized to prescribe regulations governing the entry or withdrawal from warehouse of articles covered by the agreement. In addition, in order to carry out one or more orderly marketing agreements concluded with two or more countries accounting for a major part of U.S. imports of the article covered by the agreements, the President is also authorized to issue regulations governing the entry or withdrawal from warehouse of like articles which are the product of countries not parties to the agreements.

Thus, nonparticipant imports could be restrained if two or more bilateral agreements, or one or more multilateral agreements, were concluded which meet the test of coverage of a major part of U.S. imports. This section also provides for efficient and fair administration of quotas and orderly marketing agreements and for regulations to insure, to the extent practicable, against equitable sharing of quotas by a relatively small number of larger importers.

Import relief is to terminate within 5 years unless extended by the President for one 2-year period. The relief may be extended at a level no greater than the level in effect immediately before the extension. The President must determine that a renewal is in the national interest, taking into account advice from the Tariff Commission and the factors which pertained to his initial determination to provide relief. In addition, any import relief implemented for more than 3 years must to the extent feasible be phased down, with the first reduction in relief occurring not later than 3 years after the effective date of the initial grant of relief. The President may phase down the relief in equal or unequal stages, as he deems appropriate. In the case of orderly marketing agreements, phasing down may be accomplished by increases in the annual amount of imports which may be entered. Staged reductions are not considered terminations or expirations, and consequently an industry may not petition the Tariff Commission with respect to phasing down of relief.

Import relief can be terminated or reduced at any time, where, after taking into account the advice of the Tariff Commission and the Secretaries of Commerce and Labor the President determines that such action is in the national interest.

This bill continues in large part provisions contained in the Trade Expansion Act relating to continuing review by the Tariff Commission of import relief. Upon request by the President, the Tariff Commission is to report to the President on developments with respect to the industry concerned, including the progress and specific efforts of the firms in the industry to adjust to import competition. The Tariff Commission also conducts investigations regarding the probable economic effect on the industry of reductions or terminations of import relief. Upon petition from the industry, not earlier than 9 months and not later than 6 months prior to the date import relief is to terminate by reason of the expiration of the initial period, a Tariff Commission investigation is conducted including a public hearing. A report is made to the President on its findings as to the probable economic effect on the industry of termination relief.

No new investigation for the purposes of section 201 shall be made with respect to an industry which has received import relief under this bill unless 2 years have elapsed since the expiration of import relief previously granted.

Section 204 provides that whenever the President chooses to use quotas or orderly marketing agreements as import relief, then the President must submit the proclamation providing quotas or the orderly marketing agreement, as the case may be, to the Congress for approval through a 90-day veto procedure similar to that provided in chapter 5 of title I. If the Congress disapproves the use of quotas or the orderly marketing agreement, the President has a 15-day period in which to provide other import relief in the form of tariffs or tariff quotas.

ADJUSTMENT ASSISTANCE FOR WORKERS

The bill provides a new adjustment assistance program with eased qualifying criteria and a streamlined petitioning process. It is the intention of the committee that workers displaced by increased imports receive all the benefits to which they are entitled in an expeditious manner.

In addition, the bill provides a more adequate benefit payments to eligible recipients and would make several improvements in the other services which these recipients would receive under the program. The new program of adjustment assistance for workers would be financed through a trust fund with annual appropriations coming out of customs receipts.

PETITIONS

The bill provides for filing of petitions with the Secretary of Labor by groups of workers or their duly authorized representatives for a certification of eligibility to apply for adjustment assistance. It is intended that a group of three or more workers in a firm may qualify as a petitioner for a certification to apply for adjustment assistance. The Secretary must promptly publish notice in the Federal Register that he has received the petition and initiated an investigation.

The bill incorporates the same filing provision with respect to workers' petitions as contained in section 301(a)(2) of the Trade Expansion Act except that petitions are to be filed with the Secretary instead of the Tariff Commission. The provisions of section 302 of the Trade Expansion Act calling for investigations and determinations by the Tariff Commission relating to workers' petitions would be eliminated.

The Committee intends that the Secretary shall establish minimal filing requirements so that in the normal case a petition will be considered filed upon receipt by the Secretary.

GROUP ELIGIBILITY REQUIREMENTS

The bill provides new criteria for certification of eligibility of groups of workers to apply for adjustment assistance. Under the bill, the Secretary of Labor rather than the Tariff Commission would determine whether the criteria were met. The bill would also eliminate the requirement in the Trade Expansion Act of a causal link between increased

imports and trade agreement concessions, and require that increased imports, either actual or relative, only "contribute importantly" to the separations rather than be their major cause as required by present law. In addition to requiring that a significant number or proportion of the workers in a firm have become or are threatened to become totally or partially separated, sales or production, or both, of the affected firm or subdivision would have to decline on an absolute basis with increased imports contributing importantly to the decline.

The requirement that import increases contribute "importantly" may be contrasted with the "substantial cause" language in the import relief section of the bill. "Substantial cause" in determining eligibility for import relief includes the concept "important" but adds another requirement, that the cause be not less than any other single cause. Therefore, importantly as used in determining eligibility for worker adjustment assistance is an easier standard; a cause may have contributed importantly even though it contributed less than another single cause.

DETERMINATION BY SECRETARY OF LABOR

The bill provides that as soon as possible but not later than 60 days after a petition is filed, the Secretary must determine whether a substantial number or proportion of workers have become, or are threatened to become, totally or partially separated because of increased imports. The Secretary is to issue a certification of eligibility to apply for adjustment assistance covering workers in any group which meets such requirements. The certification is of a continuing nature and covers workers totally or partially separated on or after the impact date through the date of termination of the certification.

Each certification shall specify the date on which the total or partial separation began or threatened to begin. The date to be determined is the earliest date on which any part of the total or partial separations involving a significant number or proportion of workers began or threatened to begin. The date when total or partial separations threatened to begin is the date on which it could reasonably be predicted that separations were imminent.

A certification of eligibility to apply for assistance shall not apply to any worker who was last totally or partially separated from the firm or subdivision prior to his application more than 1 year before the date of the petition upon which the certification covering him was granted or more than 6 months before the effective date of the new program.

The Secretary is required to publish promptly in the Federal Register a summary of his determination on a worker petition. If the determination is affirmative, the Secretary would issue a certification and the summary would therefore be of the certification.

The bill provides for the termination of certifications of eligibility to apply for adjustment assistance if the Secretary determines that total or partial separations are no longer attributable to the conditions specified in the bill.

The bill provides that the Secretary of Labor is to be notified by the Tariff Commission whenever it initiates an investigation of an industry under section 201 and that the Secretary shall immediately begin a study of the number of workers in the domestic industry producing the like or directly competitive article who have been or are likely to be certified for adjustment assistance and the extent to which the adjustment of such workers may be facilitated through the use of existing programs. The Secretary is to make his report to the President not later than 15 days after the Tariff Commission makes its report under section 201.

QUALIFYING REQUIREMENTS FOR WORKERS

Under the bill a worker must have been employed with the same trade impacted firm or subdivision for 26 out of the 52 weeks preceding his separation at wages of at least $30 a week.

In order to qualify for weekly payments, an adversely affected worker covered by a certification under section 223 must file an application. The worker's last total or partial separation before he applies must have occurred on or after the "impact date"—the date specified in the certification when total or partial separation began or threatened to begin—within 2 years after the date on which the Secretary issued the certification covering the worker, and before the termination date. The date of issuance of the certification is the date on which the Secretary or his delegate signs the certification.

WEEKLY AMOUNTS

The basic formula for the weekly trade readjustment allowance payable to an adversely affected worker is increased from 65 percent to 70 percent of his average weekly wage for the first 26 weeks. For subsequent weeks of entitlement, a worker would receive a benefit equal to 65 percent of his average weekly wage as under present law. The maximum trade readjustment allowance for any week is increased from 65 to 100 percent of the average weekly wage in manufacturing. This would raise the maximum payment from an estimated $111 to an estimated $170 a week in 1974. The committee believes that the increases in the trade readjustment allowances which it is recommending are needed to assure that workers whose employment is adversely affected by increased imports will receive adequate compensation.

Benefits extend up to 52 weeks, except for workers over 60, who may receive an additional 13 weeks, and except for additional payments of up to 26 weeks where workers exhaust benefits while still in approved training programs. The worker's allowance is to be reduced by 50 percent of any earnings. In addition, if the total of a worker's earnings, unemployment insurance, training allowance and trade readjustment allowance for a week is more than 10 percentage points higher than his trade readjustment allowances alone—that is, more than 80 percent or 75 percent, as applicable—or is more than 130 percent of the average weekly manufacturing wage, the excess is deducted dollar-for dollar from his trade readjustment allowance.

EMPLOYMENT SERVICES

The bill provides that the Secretary of Labor shall make every reasonable effort to secure counseling, testing, and placement services, and supportive and other services provided for under any Federal law. The Secretary shall procure such services through agreements with cooperating State agencies whenever appropriate.

TRAINING

The bill directs the Secretary to provide or assure provision of appropriate training including training for technical and professional occupations to trade-impacted workers under manpower programs established by law whenever it is determined that suitable employment is not available.

The bill provides supplemental assistance to defray transportation and subsistence costs when training is provided in facilities which are not within commuting distance.

Any worker refusing without good cause to accept or continue, or failing to make satisfactory progress in suitable training to which he was referred by the Secretary would be disqualified from receiving payments under this program untill he enters or resumes the training. This subsection is identical in substance to setcion 327 of the Trade Expansion Act.

JOB SEARCH ALLOWANCES

To make it easier for workers to obtain new employment as quickly as possible the bill provides that a worker covered by a certification may file an application with the Secretary of Labor for a job search allowance. This allowance provides reimbursement to the worker of 80 percent of the cost of his necessary job research expenses, not to exceed $500.

The allowance can only be granted to assist the worker in obtaining employment within the United States, only when the worker cannot reasonably be expected to otbain suitable employment in his commuting area, and only if the application for the allowance is filed within 1 year from his last total separation prior to his application for adjustment assistance.

RELOCATION ALLOWANCES

The bill would ease the qualifying requirements for relocation allowances by omitting the head-of-household requirement in the Trade Expansion Act. The committee believes that relocation allowances should also be made available to single individuals are more likely to benefit from relocation allowances.

Relocation allowances are afforded—upon application and meeting qualifying requirements—to any adversely affected worker covered by a certification who has been totally separated from adversely affected employment. The qualifying requirements—apart from the head-of-household test—are identical to those of the Trade Expansion Act.

A relocation allowance may be paid only if, for the week in which the worker files an application for such allowance, he is entitled to a trade readjustment allowance or would be so entitled—without regard to whether he filed application for a trade readjustment allow-

ance—if it were not for the fact that he has obtained the employment to which he wishes to relocate.

To be entitled to a relocation allowance, the worker must relocate within a reasonable time after he applies for such allowance. If the applicant is a worker undergoing vocational training under the provisions of any Federal statute he must relocate within a reasonable time after the conclusion of such training.

A relocation allowance could not be granted to more than one member of the family with respect to the same relocation. Thus, for example, a husband and wife who otherwise met all of the requirements for relocation would be entitled to one relocation allowance to relocate to another domicile.

Relocation allowances under the bill consist of: First, 80 percent, rather than 100 percent as provided in the Trade Expansion Act, of the reasonable and necessary expenses—as specified in regulations prescribed by the Secretary of Labor—incurred in transporting the worker, his family, if any, and household effects from their present location; and second, a lump sum payment equivalent to three times the worker's average weekly wage, up to a maximum payment of $500, rather than 2½ times the average weekly manufacturing wage as provided in the Trade Expansion Act.

GENERAL PROVISIONS

The bill contains general provisions relating to entering into agreements with the States, the liabilities of certifying and disbursing officers, recovery of overpayments and penalties, which are substantially similar to the provisions of present law.

The bill provides for review by the courts of final determinations of entitlement to payments in the same manner and to the same extent as is provided by the judicial review provision of the social security program.

FUNDING

The bill provides for the establishment of a trust fund—the adjustment assistance trust fund—to be used to finance the costs of the adjustment assistance program including the administrative costs of the Labor Department and cooperating States. Annual appropriations to the trust fund, out of customs collections, of such sums as are necessary to pay such costs are authorized. The Secretary of Labor is to certify to the Secretary of the Treasury payments that are due to States and the Secretary of the Treasury will make such payments from the trust fund.

TRANSITIONAL PROVISIONS

Benefits as provided in the bill would be paid to all eligible recipients for weeks of unemployment beginning on and after the effective date of the chapter establishing the new trade assistance program.

In all cases where workers receive benefits for weeks of unemployment before the effective date of the new chapter, such benefits will be as provided in the 1962 act. It is intended that workers whose individual applications for adjustment assistance have been approved under the existing program shall receive benefits as provided in the bill for weeks of unemployment which occur after the effective date of this chapter and in which they are eligible for trade readjustment allowances.

If by the effective date of this chapter workers have not completed the process of qualifying for adjustment assitance under the present program they would be permitted to file a group petition, or apply for individual benefits, as the case may be, under the liberalized eligibility criteria of the bill. In order to take advantage of this provision, workers must meet the time limitations on eligibility for petitions in the bill, which include a showing that separation occurred no earlier than 6 months before the effective date of the new adjustment assistance chapter.

An exception to the time limitations on weeks of unemployment that can be covered by certifications under the bill is made for groups of workers that filed petitions under present law more than 4 months before the effective date but did not receive approval—certification—or denial of their petitions before the new chapter went into effect. Where: First, a petition for certification has been filed more than 4 months before the effective date of this chapter by a group of workers or its authorized representative; second, the Tariff Commission has not rejected the petition; and third, a certification has not been issued, the group of workers or its representative may file a petition under the new chapter within 90 days after the chapter becomes effective. If a certification is issued pursuant to such a petition, the restriction against granting allowances for weeks of unemployment more than 6 months before the effective date of the chapter shall not apply, and the restriction against granting allowances for weeks of unemployment more than 1 year before the filing of a petition shall be calculated on the basis of the original petition filing under the 1962 act. Without this exception, a group in this situation might be unable to qualify for benefits even though it in fact met all the qualifications called for by present law and had applied in a timely fashion. The requirement that petitions must be filed more than 4 months before the effective date of the new chapter is intended to allow the Tariff Commission time to examine such petitions before the expiration of the 1962 act. Thus, petitions which do not meet the requirements of the present law would be rejected, for the most part, and there would be little chance for petitioners to use the special relief provided for pending cases in order to circumvent the cutoff provisions of the new chapter.

COORDINATING COMMITTEE

The bill establishes the Adjustment Assistance Coordinating Committee, consisting of a Deputy Special Trade Representative as chairman and officials charged with adjustment assistance responsibilities of the Departments of Labor and Commerce and the Small Business Administration, to coordinate adjustment assistance policies and programs and to promote the efficient and effective delivery of adjustment assistance benefits.

ADJUSTMENT ASSISTANCE FOR FIRMS

The bill reaffirms that an adjustment assistance program for firms has an important role in carrying out the Government's responsibility for assisting in the economic adjustment process flowing from changes in conditions of import competition. The committee believes the new and revised provisions with respect to adjustment assistance for firms will greatly simplify and expedite the consideration of petitions for certification of eligibility, and the delivery of more effective and timely aids to economic adjustment to those firms found qualified for adjustment assistance.

Under section 251, petitions for certification of eligibility to apply for adjustment assistance may be filed with the Secretary of Commerce by individual firms or their representatives, rather than with the U.S. Tariff Commission as has been the requirement under the Trade Expansion Act of 1962.

The Secretary of Commerce is required to promptly publish a notice in the Federal Register of receipt of the petition and initiation of an investigation concerning its merits. Provision is made for submission, within 10 days after such publication, by any other person, organization, or group having a substantial interest in the proceedings, for a hearing; following which the Secretary shall provide for a public hearing. Interested persons will be provided an opportunity to be present, produce evidence, and present their views.

Both the substantive requirements which must be met and the procedures to be followed are greatly simplified in the new bill. Criteria to be applied by the Secretary of Commerce as a basis or certification of eligibility include determination that: First, a significant number or proportion of workers have become separated or partially separated—that is, their hours of employment reduced—or that workers are threatened with either of these situations; second, the sales or production, or both, of the firm has decreased; and third, increased imports of like or directly competitive articles have contributed importantly to factors one and two. Under the bill the required causal link to concessions previously granted under trade agreements is eliminated.

The definition of a "significant number or proportion of workers" is left to pragmatic application, as it was under the Trade Expansion Act. In a firm with smaller than average number of employees, a proportion of those affected becomes more important than numerical totals. In addition, it is not intended that the definition of "partial separation" contained in the bill with respect for worker assistance would apply to the criteria with respect to firm eligibility. It is expected that the question of what constitutes partial separation will be established by regulation.

As indicated in the discussion of adjustment assistance for workers, the requirement that import increases contribute "importantly" may be contrasted with the "substantial cause" language in

the import relief section of the bill. "Substantial cause" in determining eligibility for import relief includes the concept "important," but adds another requirement, that the cause be not less than any other single cause. Therefore, "importantly" is an easier standard; a cause may have contributed importantly even though it contributed less than another single cause.

The determination of whether the firm is certified eligible to apply for adjustment assistance must be made within 60 days. After the firm is certified, it has 2 years in which to file an application for adjustment assistance. As under the Trade Expansion Act, the fact that a firm has been certified as eligible to apply for adjustment assistance does not mean that such assistance will automatically be granted. There may be firms for which adjustment assistance is not appropriate or which are simply unable to develop a viable adjustment proposal under the statutory criteria. The application for adjustment assistance must include the firm's proposal for economic adjustment. It is not intended that the 2-year time limit would preclude a firm from revising or amending its initial proposal after the expiration of the 2-year period.

Before an adjustment proposal of a firm can be approved and assistance furnished the Secretary must find that the proposal:

First, is reasonably calculated materially to contribute to the economic adjustment of the firm;

Second, gives adequate consideration to the interests of the workers of such firm; and

Third, demonstrates that the firm will make all reasonable efforts to use its own resources for economic development.

These criteria are virtually the same as in existing law. In addition, the Secretary must find that the firm has no reasonable access to financing through the private capital market. This requirement is similar to a provision of existing law and is intended to preclude a firm from obtaining financial assistance from the Government when the firm could obtain all of the needed funds through the private capital market at a reasonable rate of interest. In some cases, a firm is able to obtain a private loan for a portion of the total amount needed with the Government supplying the remainder. It is not intended that the word "access" be interpreted to preclude Government assistance when the firm has such access for only a portion of the needed amount.

Adjustment assistance under this chapter of the bill will include technical assistance as well as financial assistance, singly or in combination. The provision under the TEA of 1962 for tax assistance in the form of extended carryback was found to have little application to the type of firms which were certified as eligible for adjustment assistance and consequently no provision for tax assistance has been made in the bill.

Provision of technical assistance by the Secretary is to be for (1) development and preparation of an economic adjustment proposal, and (2) carrying out the proposal, or both. Costs of technical assistance furnished through private—nongovernmental—individuals, firms, and institutions—including consulting services—which may be borne by the U.S. Government will be limited to not more than 75 percent of the total. Thus, a technical assistance contractor could receive up to 75 percent of the cost of such services from the Government. If a firm could not afford to pay any of the cost of technical assistance, the Government could advance the total amount as long as adequate provision for repayment of at least 25 percent of the total is included.

In some circumstances the Government's share of the cost may be substantially less than 75 percent, and it is the intention of this committee that the payment of up to 75 percent of the cost of technical assistance not be automatic. Firms applying for adjustment assistance are expected to share the cost to the extent possible. Indeed, it is not intended that the Government is required to bear the costs of technical assistance.

The terms and conditions under which financial assistance may be provided by the Secretary of Commerce, while retaining all reasonably necessary safeguards to insure against monetary losses to the Government as lender or guarantor, have been defined broadly enough to meet the range of situation patterns which are apt to be encountered and to exclude some of the unnecessarily restrictive language of the TEA.

Direct loans are to be employed only to the extent that loan funds, with or without a guarantee, are not available from private sources.

The caveat that financial assistance shall not be provided under this chapter unless the Secretary determines that required funds are not available from the firm's own resources restates in more simple and positive language a similar requirement in the TEA. A determination that there is reasonable assurance of repayment of the loan is also included, as it was in the TEA, and typically in other programs including the provision of Government financial assistance.

Under section 225, the Secretary is required to give priority to small businesses in making loans and guarantees. Applicable rates of interest for both direct loans and guaranteed loans are to be determined at the prevailing rate authorized for loans to small businesses by the Small Business Administration. This provision greatly simpilfies the formula provided under the TEA, and establishes a desirable degree of uniformity in Government-wide lending policies. With respect to loan guarantees, the Government may guarantee up to 90 percent of that portion of a loan made for adjustment assistance purposes.

Specific limitations on the permissible aggregate amounts of loans outstanding to any individual firm under this chapter are established as not to exceed $3 million for guaranteed loans and $1 millon for direct loans. This provision emphasizes the intent of the adjustment assistance program to be concentrated on the small to medium size enterprise.

Since 256 permits the Secretary of Commerce, in the case of any firm that is a small business within the meaning of the Small Business Act and regulations, to delegate all of any part of his functions, other than the certification of eligibility, to the Administrator of the Small Business Administration. This provision facilitates the utilization of the existing resources of the Small Business Administration in terms of organization, personnel, background, and experience in working with firms under circumstances which parallel those of the adjustment assistance program.

Section 263 of the bill contains provisions for dealing with adjustment assistance cases under consideration at the time of passage of the bill.

Firms whose petitions are under consideration by the Tariff Commission under the provisions of the Trade Expansion Act when the bill becomes law must reapply to the Secretary of the Commerce under the provisions of the new law. In order to assist the Secretary and expedite his consideration of such cases, the Tariff Commission is directed to make available to the Secretary, on request, data it has acquired with respect to its investigation.

If, on the date of enactment, the Tariff Commission has completed its investigation and issued a report containing an affirmative finding, or a report where an equal number of Commissioners are evenly divided, the Secretary may certify the firm as eligible to apply for adjustment assistance without conducting a further investigation.

Finally, firms which have already been certified as eligible to apply for adjustment assistance and which have either not yet applied for adjustment assistance or have applied and are in the process of developing their adjustment proposals will be treated under the provisions of the new law. Thus, for example, the limits on the total amount of financial assistance which a firm can receive would apply to such firms. Those firms which have already had their adjustment proposals approved by the date of enactment, however, would be able to receive assistance at the levels provided in such proposals. This latter provision would allow the Secretary to furnish the assistance at the level promised when he approved the proposal.

Section 264 sets up procedures to activate accelerated factfinding, review, and evaluation of basic conditions in industries which clearly are or may be confronted with import-impact problems. As soon as the Tariff Commission begins an industry investigation under section 201, the Secretary of Commerce will be notified and will begin immediately to assemble facts concerning the industry, including the identification of existing programs and their adaptability to meet problems associated with the facilitation of orderly adjustment measures.

The Secretary will submit a report concerning this study to the President within 15 days after the submission of the report of the Tariff Commission concerning the subject industry. The Secretary's report will be published and a summary published in the Federal Register.

It is also provided that, whenever an affirmative finding of injury or threat thereof to an industry is made by the Tariff Commission, the Secretary shall

take steps to inform the individual firms in that industry about available programs and facilities to assist in orderly adjustment to import competition, and to provide help in the preparation and processing of necessary applications and petitions.

In the two-pronged provisions of section 264, the machinery is established for positive action to deal with import-impact problems simultaneously with their identification, rather than procedures which left the initiative entirely to the firms which were affected, with the Government agencies reacting to distress calls instead of anticipating them. It was this committee's intention that Government agencies assume a positive role in identifying problem areas and developing countermeasures.

Finally, the committee intends that the adjustment assistance program for firms should be coordinated with the other interested agencies of the Government through the Adjustment Assistance Coordinating Committee established by section 250 of the bill.

That committee will coordinate the adjustment assistance policies and programs of the various agencies involved and will promote the efficient and effective delivery of adjustment assistance benefits.

FOREIGN IMPORT RESTRICTIONS AND EXPORT SUBSIDIES

Section 301 revises and expands existing section 252 of the Trade Expansion Act of 1962 regarding responses to unjustified or unreasonable import restrictions of other countries or instrumentalities including variable levies, export subsidies by them to third markets which displace competitive U.S. exports, and export subsidies to the U.S. market which substantially reduce sales of competitive domestic products. In this section "unjustifiable" refers to restrictions which are illegal under international law or inconsistent with international obligations. "Unreasonable" refers to restrictions which are not necessarily illegal but which nullify or impair benefits accruing to the United States under trade agreements or otherwise discriminate against or unfairly restrict or burden U.S. commerce.

Whenever the President determines that another country or instrumentality thereof: First, maintains unjustifiable or unreasonable trade restrictions which impair the value of trade commitments made to the United States or burden, restrict, or discriminate against U.S. commerce; Second, engages in discriminatory or other acts or policies which are unjustifiable or unreasonable and which burden of restrict U.S. commerce; or Third, provides subsidies—or other incentives having the effect of subsidies—on its exports of one or more products to the United States or to other foreign markets which have the effect of substantially reducing sales of competitive U.S. products in the United States or in third countries, he is required to take all appropriate and feasible steps within his power to obtain their elimination. The steps taken under this requirement must, however, be sanctioned under existing authority, because it is not intended that this language provide any new power. He also has discretionary authority to: First, suspend, withdraw, or prevent the application of benefits of a trade agreement to such country; and Second, to impose duties or other import restrictions for such time as he deems appropriate. In determining what action to take the President is required to consider the relationship of such action to the international obligations of the United States and to the purposes of the bill. The committee expects that he will depart from international obligations only where international procedures are inadequate to deter the unjustifiable or unreasonable practice or subsidies. Even then, the President should depart from U.S. international obligations only when a matter of important principle and the national interest dictate that course of action.

In cases where the foreign restriction, act, policy, or practice is unjustifiable, the President may act either on a nondiscriminatory—most-favored - nation—basis or only with respect to the products imported from one or more offending foreign countries. In those cases where a restriction, act, policy, or practice is not unjustifiable but is nevertheless determined to be unreasonable, the President's action must apply only to the offending country.

Before the President may respond under this section to subsidies on exports to the U.S. market, three things must occur:

First, the Secretary of the Treasury must determine that a subsidy, or another incentive having the effect of a subsidy, exists;

Second, the Tariff Commission must find that the subsidized exports are substantially reducing the sales of competitive products made in the United States; and

Third, the President must find that remedies available under the Antidumping Act and under the countervailing duty law are insufficient to deter the subsidization practices.

It is the intent of the committee that "commerce," as it is used in section 301 (a), is to include the services as well as goods. Although the committee understands that the trade agreements of the type authorized under title I of the bill do not usually extend to the treatment of services, it is much concerned over present practices of discrimination against U.S. service industries including, but not limited to, transportation, tourist, banking, insurance, and other services in foreign countries. It is the committee's intent that the President give special attention to the practical elimination of this discrimination by the use of authority under this provision, to the extent feasible, as well as steps he may take under other authority. This intent is further indicated in the section 163 requirement that he report to Congress on the results of action taken to remove this discrimination in international commerce against U.S. service industries.

The President is required to provide, upon request, for the presentation of views, including appropriate public hearings, on acts or policies of foreign countries which fall within the scope of this section. These hearings concerning foreign practices are not a prerequisite to the President's acting against such practices. With respect to his own actions under this section, the President is also required to provide for the presentation of views on the taking of such action, including the holding, upon request, of public hearings. In addition, he may request the views of the Tariff Commission on the impact of taking action on the U.S. economy.

In the view of the committee, this revision of section 252 of the Trade Expansion Act of 1962 is necessary to protect the interests of U.S. producers and exporters against unfair practices of foreign countries. The revised language will give wide authority to the President, subject to appropriate procedural safeguards, to retaliate against these practices, and will strengthen the hand of the administration in resolving through negotiation disputes which arise by reason of these practices.

The decisionmaking process in the GATT is such as to make it impossible in practice for the United States to obtain a determination with respect to certain practices of our trading partners which appear to be clear violations of the GATT. For example, it is highly unlikely that the United States could obtain a GATT decision that the various preferential arrangements which the European Community has created with both developed and developing countries are inconsistent with article XXIV—customs unions and free-trade areas, and hence illegal. So long as decisions in the GATT are made on the basis of political consensus of the contracting parties, the United States will have no assurance that questions of consistency with the GATT will be resolved impartially. The Committee believes that it is essential for the United States to be able to act unilaterally in any situation where it is unable to obtain redress through the GATT against practices which discriminate against or unreasonably impair U.S. export opportunities.

Moreover, the committee believes that a tool, in addition to that available in the countervailing duty statute, should be available to deal with the problem of subsidized exports to the U.S. market, particularly where the subsidization also affects sales of U.S. goods in third market countries. Since the United States has tried and failed repeatedly in recent years to achieve agreement on subsidy practices, a more forceful approach is called for.

Although the committee continues to regard the countervailing duty law as the primary tool for combating subsidy practices of foreign countries, that law provides only for an additional duty calculated to offset the foreign subsidy. The new authority in this section would permit the President to go beyond mere equalization and to impose additional restrictions to deter countries from according subsidies to their products. The committee fully expects that requests for action under this provision will be considered promptly by the President.

Since retaliation against unreasonable practices which are not unjustifiable might not be sanctioned by the contracting parties to the GATT, the committee believes that the effects of retaliation in these cases should not extend beyond the country or countries against which the retaliatory measure is taken.

Section 302 provides that where the President takes import-restricting action in response to an unjustifiable or unreasonable foreign practice or policy—including subsidy practices, he must report such action to both Houses of Congress, together with a statement of his reasons for taking the action. If either House of Congress passes a resolution disapproving the President's action within 90 days after he submits such materials, the effect of the action is terminated. Consideration of a resolution under this section in each House will be pursuant to the special procedures set forth in section 151.

ANTIDUMPING DUTIES

The committee has taken note of the fact that since 1970 the Treasury Department has significantly increased the size of its staff and the staff of the Customs Service devoted to the processing of antidumping investigations. As a result, the length of time necessary to complete investigations has been reduced. Additionally, the number of determinations issued annually since 1970 has increased appreciably over the number issued in a comparable period prior to that year. It is intended that the Treasury Department continue vigorous enforcement of of the act. The amendments to the act, contained in section 321 of the bill will significantly facilitate such vigorous enforcement.

Subsection (a) amends section 201(b) of the Antidumping Act to provide that the Secretary of the Treasury or his delegate must, within 6 months, or, in more complicated investigations, within 9 months after a question of dumping is raised by or presented to him, make the determination required under present law as to whether there is reason to believe or suspect that the purchase price of imported merchandise is less, or the exporter's sales price is less or likely to be less, than the foreign market value or constructed value of the merchandise.

If the Secretary's determination is affirmative, then under paragraph (2) of section 201(b), as amended, he must publish notice thereof in the Federal Register and require the withholding of appraisement of any such merchandise entered on or after such date of publication. Paragraph (2) also retains the present provision in the Antidumping Act which authorizes the Secretary to order that such withholding be made effective with respect to merchandise entered on or after an earlier date, but in no case may the effective date of withholding be earlier than the 120th day before the question of dumping was raised by or presented to him.

Paragraph (3) of section 201(b) provides that if the Secretary's determination is negative, or if he tentatively determines that the investigation should be discontinued, notice thereof must be published in the Federal Register, but the Secretary may within 3 months thereafter order the withholding of appraisement if he then has reason to believe or suspect that dumping is involved. An order of withholding of appraisement in that case is treated in the same manner as is a withholding under paragraph (2) of section 201(b). If no withholding of appraisement is ordered within 3 months, the Secretary must publish a final negative determination or a notice of discontinuance of the investigation. Section 201(b), as amended by the bill, also provides that the question of dumping is deemed to have been raised by or presented to the Secretary on the date on which a notice is published in the Federal Register that information relating to dumping has been received in accordance with regulations prescribed by him. As provided under current Treasury Department regulations (19 CFR 153.30), the Secretary will publish such a notice generally within 30 days after information relating to dumping is received in acceptable form.

Subsection (b) incorporates a new provision in the Antidumping Act which requires the Secretary of the Treasury or the Tariff Commission to hold a hearing prior to any determination under subsection (a). In order to preserve the informal and nonadversary nature of these proceedings, the hearings are specifically exempted from the procedural requirements of the Administrative Procedure Act. The transcript of each hearing plus all information developed in connection with the investigation with the exception of material treated as confidential or otherwise exempt from disclosure under the Freedom of Information Act, shall be available to all persons.

Subsection (b) also requires the Secretary and the Tariff Commission to include in the record and publish in the Federal Register their determinations, together with a statement of the bases for their findings and conclusions on all material issues presented.

Subsection (c) makes three amendments to section 203 of the Antidumping Act, dealing with purchase price.

The first amendment deals with the treatment to be given export taxes in the computation of purchase price. Section 203 of the Antidumping Act, which defines purchase price and sets forth the adjustments to be made thereto, currently provides that any export tax imposed on the exported product must be added to the purchase price if it is not already included therein. Section 204, on the other hand, which defines exporter's sales price, currently provides that any export tax must be subtracted from exporter's sales price if it is included therein.

The "purchase price" treatment of an export tax is anomalous. An export tax increases the price of an exported product and, if not subtracted, would distort any dumping price comparison made between the export price and the home market price of a particular product. The distortion would artificially reduce or eliminate any dumping margins that might otherwise exist. The present treatment of export taxes under the exporter's sales price provision is proper and the proposed amendment would make the section on purchase price symmetrical with the section on exporter's sales price in this regard.

The second amendment deals with the treatment of certain types of tax rebates in computing purchase price. The amendment would confrom the standard in the Antidumping Act to the standard under the countervailing duty law, thereby harmonizing tax treatment under the two statutes. It must be noted that in recommending this amendment, there is no intention to express approval or disapproval of the standard employed by the Treasury Department in administering the countervailing duty law with regard to the treatment under which that law of rebates or remissions of direct and indirect taxes.

With the amendment, no adjustment to the advantage of the foreign exporter would be permitted for indirect tax rebates unless the direct relationship of the tax to the product being exported, or components thereof, could be demonstrated. Further, an adjustment for such tax rebates would be permitted only to the extent that such taxes are added to or included in the price of such or similar merchandise when sold in the country of exportation. This is to insure that the rebate of such taxes confers no special benefit upon the exporter of the merchandise that he does not enjoy in sales in his home market. To the extent that the exporter absorbs indirect taxes in his home market sales, no adjustment to purchase price will be made and the likelihood or size of dumping margins will be increased.

Under the present language of the Antidumping Act, Treasury is required in its calculation of purchase price to add back to the price at which merchandise is sold to the United States:

> The amount of any taxes imposed in the country of exportation upon the manufacturer, producer, or seller, in respect to the manufacturer, production, or sale of the merchandise, which have been rebated, or which have not been collected, by reason of the exportation of the merchandise to the United States.

The "adding back" of such taxes under the Antidumping Act has the effect of reducing or eliminating any dumping margins that may exist. The language of the Antidumping Act "in respect to the manufacture, production or sale of the merchandise" is somewhat broader than the standard which would be applied to tax rebates under this amendment—directly related to the exported products or its components—and will result in fewer or smaller adjustments which decrease the size of dumping duties.

The third amendment would assure that imported merchandise benefiting from tax rebates which the Secretary has already determined to be a bounty or grant, and thus subject to countervailing duties, would not be unfairly penalized by subjecting them to antidumping duties as well by reason of the same tax rebates.

Subsection (d) makes three amend-

ments to section 204 of the Antidumping Act, dealing with exporter's sales price.

The first amendment adds a fifth item to the list of those costs, expenses, or taxes which must be subtracted from the resale price in the United States to an unrelated purchaser in the computation of exporter's sales price. This amendment provides that whenever merchandise subject to an antidumping investigation or finding is imported by a person or corporation related to the exporter, that is, an exporter's sales price situation, and the merchandise is changed by further process or manufacture so as to remove it from the class or king of merchandise involved in the proceeding before it is sold to an unrelated purchaser, such merchandise will not escape the purview of the law, but appropriate adjustments for the value added will be made to arrive at an exporter's sales price.

The committee intends that this amendment shall be applicable only if the manufactured or assembled product that is sold to an unrelated person contains more than an insignificant amount of the imported merchandise. It would distort the purpose of the Antidumping Act to render section 204 applicable to a product sold in the United States that had no, or only the slightest, physical relationship with the imported merchandise. Thus, for example, when a process of manufacture or assembly is performed on the imported merchandise, the resultant product must contain at least a significant amount, by quantity or value, of the imported merchandise. The amendment will codify existing Treasury Department regulations on the subject and eliminate any question concerning the scope or intent of the act to reach such merchandise which has been further processed or manufactured.

The second and third amendments are identical to the amendments of section 203 of the act concerning the treatment of certain tax rebates or remissions in the computation of purchase price, and would apply these same standards in the computation of exporter's sales price.

Subsection (e) amends section 205 of the Antidumping Act, 1921 (19 U.S.C. 164), dealing with the determination of foreign market value, in two respects.

A new subsection (b) to section 205 is added to provide for disregarding, in certain situations, sales in the home market of the country of exportation or, as appropriate, sales to countries other than the United States if such sales are made at prices which represent less than the cost of production of the merchandise in question. The committee believes that this amendment is necessary to prevent foreign sales of merchandise, which are made at less than the cost of producing such merchandise, from being used as the basis for determining whether sales of such similar merchandise to the United States are at less than foreign market value. In the absence of such a provision, sales made to the United States at less than cost of production could escape the purview of the act if sales in the home market of the country of exportation or, as appropriate, to third countries are also made at prices which fail to meet the cost of production by an equal or greater amount.

Under the amendment, an inquiry into whether sales in the home market of the country of exportation or, as appropriate, sales to countries other than the United States are below cost shall be made in situations where the Secretary has reasonable grounds to believe or suspect that such sales are in fact being made.

Whenever the Secretary determines that sales below cost have been made, such sales shall be disregarded in determining foreign market value if they:

First, have been made over an extended period of time and in substantial quantities; and

Second, are determined by the Secretary not to be at prices which permit recovery of all costs within a reasonable period of time in the normal course of trade.

These standards are designed to insure that sales made at less than cost of production will not automatically be excluded from consideration, for frequently it is normal business practice, both in foreign countries and the United States to sell obsolete or end-of-model-year merchandise at less than cost. Similarly, certain products, such as commercial airliners typically require large research and development costs before introduction and initially are sold at prices which do not reflect all overhead costs. If, however, such prices will permit recovery of all costs based upon anticipated sales volume over a reasonable period of time, such sales will not be disregarded. On the other hand, systematic sales at less than all cost of production at prices which will not permit recovery of costs will be disregarded under the amendment. Additionally, in determining whether merchandise has been sold at less than cost, the Secretary will employ accounting principles generally accepted in the home market of the country of exportation if he is satisfied that such principles reasonably reflect the variable and fixed costs of producing the merchandise.

When the Secretary determines that any sale shall be disregarded by virtue of its having been made below cost under the above standards, he shall, for purposes of determining foreign market value, determine whether a sufficient number of sales at or above cost of production remain as an adequate basis for comparison. In the absence of a sufficient number of sales at or above cost, the Secretary shall determine that no foreign market value exists and resort instead to constructed value as defined in section 206 of the act (19 U.S.C. 165) for purposes of comparison with the purchase price or exporter's sales price of the merchandise in question.

A new subsection (c) to section 205 is also added to adopt in the law the substance of the existing Treasury Department practice, as reflected in section 153.5(b) of the Treasury's antidumping regulations (19 CFR 153.5(b), under which decisions regarding dumping are made with respect to merchandise from state-controlled-economy countries. From time to time, a case arises in which the information indicates that the economy of the country, from which the merchandise is exported, is controlled to an extent that determinations cannot be made in accordance with the usual technical rules. The amendment would confirm the Treasury practice under which the Secretary makes the necessary dumping determinations with respect to State-controlled-economy countries based on prices at which such or similar merchandise of a non-State-controlled-economy country is sold either for consumption in its home market or to other countries, or based on the constructed value of such or similar merchandise in a non-state-controlled-economy country.

Section (f) amends section 212(3) of the Antidumping Act, 1921 (19 U.S.C. 170a(3)), to provide that companies will be deemed to have sold merchandise to the United States at less than its foreign market value only if their sales to the United Staates are at prices lower than their own prices in the home market or, as appropriate, to third countries. Under present section 212, the Treasury Department is occasionally compelled to compare the prices at which one manufacturer sells to the United States with the prices at which a different manufacturer sells in the home market of the country of exportation. This is necessitated by the present language of section 212(3), which defines "such or similar" merchandise in such a manner as to compell resort to the home market prices of a second manufacturer if the first manufacturer makes no sales, or an insignificant number of sales, of the merchandise in question in his home market.

This committee believes that this language creates inequities by subjecting a manufacturer to liability for dumping duties in situations where he cannot control, and , most often, does not know the prices which will form the basis for comparison with his prices to the United States. To remedy this situation, the committee recommends that those subparagraphs of section 212(3) which dictate resort to the prices of a different manufacturer be deleted. With the amendment, a foreign manufacturer would be deemed to have sold merchandise to the United States at less than foreign market value only if the price of such merchandise is lower than the price of such or similar merchandise sold by the same manufacturer in the home market or, as appropriate, to third countries. If no sales, or an insignificant number of sales, of merchandise are made to countries other than the United States, resort would be had to construted value—section 206 of the act—for purposes of comparison with the price to the United States.

The procedural amendments made in this section will apply to all investigations begun on or after the date of enactment of this act. The substantial amendments to the Antidumping Act—subsections (c) through (f) of his section—will apply to all merchandise which is not appraised on or before the date of enactment of this act. However, such amendments will not apply to merchandise which was exported before such date

of enactment and which is subject to a finding of dumping, which finding is either outstanding on the date of enactment or revoked but still applicable to such merchandise.

It will be noted in the following section that section 516 of the Tariff Act of 1930 is amended to specifically permit judicial review of negative countervailing duty determinations. The committee has been informed by letter from the Secretary of the Treasury that domestic producers do have the right of judicial review in antidumping cases. The committee wishes to make it clear that the absence of amendments to section 516 with respect to antidumping cases should not be considered to mean that negative antidumping findings are not subject to judicial review. The Committee is in agreement with the letter.

COUNTERVAILING DUTIES

Section 331 of the bill would amend sections 303 and 516 of the Tariff Act of 1930 in a number of important respects. Section 303 is the statute under which the Secretary of the Treasury determines whether imported foreign articles receive a "bounty or grant." The Secretary is required to ascertain and determine, or estimate, the net amount of any bounty or grant, and is required to declare the net amounts so determined and order the imposition of countervailing duties.

Although the present statute is mandatory in terms, it does not compel the Secretary to act within any specified period of time. The bill would impose on the Secretary of the Treasury the responsibility to make his determinations as to whether a bounty or grant exists within 12 months after the question is presented to him.

Existing Treasury regulations call for certain types of information to be presented by a person who alleges that an imported article is receiving a bounty or grant. The regulations provide that such communciations shall include a full statement of the reasons for the belief that a bounty or grant is being paid or bestowed, a detailed description or sample of the merchandise and all pertinent facts obtainable as to any bounty or grant alleged to be paid or bestowed with respect to the merchandise. The regulations go on to provide, among other things, that the Commissioners of Customs will review the information submitted, and if he determines that it is patently in error, he will so advise the person who submitted it and close the case; otherwise he will proceed with an investigation.

We are advised by the Treasury Department that its regulations will be amended to require the Commissioner of Customs to determine, generally within 30 days after the information is first received, whether the information submitted is adequate under the regulations to enable Customs to proceed with the matter. The new regulations will also provide that the person submitting the information will be advised in writing within the 30 days whether or not Customs will proceed with the inquiry. If the information submitted is inadequate, Customs' advice to the person furnishing it will include a statement of the reasons why. If the information submitted is adequate, Customs will so advise the person furnishing it and the date of such affirmative advice would be "the date on which the question is presented" for purposes of triggering the commencement of the 12-month period within which the amendment would require the Secretary to act.

The committee was advised in 1970 that the Treasury Department would amend its regulations to conform to these procedures, and is concerned that the Treasury has not done so. The committee has received assurances from the Treasury that it will promptly move to amend its regulations and will be closely following the matter to insure that this commitment is fulfilled.

The 12-month limitation would be applicable only with respect to questions presented on and after the date of enactment of the bill. Any inquiries relating to the application of countervailing duties which are already pending in the Treasury Department on the date of the enactment of the bill will not be affected by the 12-month limitation for action. However, the Treasury Department has agreed to make all reasonable efforts to proceed with such inquiries as promptly as possible.

The present statute is mandatory, in that the Secretary is required to apply countervailing duties to dutiable merchandise which he determines to benefit from a bounty or grant. Section 331 (a) would extend the provisions of the statute to nondutiable items. However, in the case of nondutiable items, there will be an additional requirement of a determination by the Tariff Commission whether or not an industry in the United States is being, or is likely to be, injured, or is prevented from being established, as a result of the importations benefiting from the bounty or grant. The injury requirement for duty-free articles will exist only as long as the international obligations of the United States requires an injury determination. The Tariff Commission is required under the bill to make an injury determination with respect to nondutiable imports within 3 months after the initial determination by the Secretary of the Treasury that a bounty or grant is being paid or bestowed. The relevant language regarding injury determinations by the Tariff Commission was derived verbatim from the Antidumping Act, 1921, and is intended to have the same meaning.

The bill also provides for suspension of liquidation in the event the Secretary of the Treasury determines a bounty or grant exists with respect to nondutiable imports. The suspension would take effect with respect to merchandise entered, or withdrawn from warehouse for consumption. on or after the 30th day after publication in the Federal Register of the Secretary's determination of the existence of a bounty or grant. The subsequent countervailing duty order, requiring the assessment of duties equivalent to the amount of the bounty or grant, issued by the Secretary of the Treasury following the Tariff Commission's determination of injury, would be effective as of the date of suspension of liquidation. The significance of this suspension is that if there is a determination of injury by the Tariff Commission with respect to nondutiable imports, it will take effect on the same date as would a determination by the Secretary of the Treasury that a bounty or grant was being paid or bestowed on dutiable imports.

Section 331 of the bill also provides that all determinations by the Secretary with respect to the existence of a bounty or grant and all determinations by the Tariff Commission with respect to injury will be published in the Federal Register and will become effective 30 days thereafter. Under the current Treasury practice, countervailing duty orders become effective 30 days after publication in the Customs Bulletin. This new provision will advance by 2 or 3 weeks the date orders become effective by avoiding present printing leadtime lags in publication of the Customs Bulletin.

The committee amendment to the existing law would also add a new subsection (d) to section 303 of the Tariff Act authorizing the Secretary of the Treasury to refrain from applying the countervailing duty law to an article with which is subject to import quota restrictions or to effective quantitative limitations on its exportation orders become effective by avoiding present printing leadtime lags in formation and advice from such agencies as he may deem appropriate, that such quantitative limitations are an adequate substitute for the imposition of the countervailing duty.

The committee amendment to the existing law would likewise add a new subsection (e) to section 303 of the Tariff Act. The Secretary would be authorized not to impose additional duties under section 303 if, after seeking information and advice from such agencies as he may deem appropriate, he determines that such imposition would be likely to seriously jeopardize satisfactory completion of the forthcoming international trade negotiations. The Secretary's authority under this subsection would be restricted to 4 years after the date of its enactment. An additional provision in subsection (e) restricts the authority of Secretary to refrain from imposing countervailing duties by reason of the serious jeopardization of trade negotiations to only 1 year from the date of enactment in investigations concerning merchandise produced by facilities owned or controlled by the government of a developed country when the investment in or operation of such facilities is subsidized.

The 4-year temporary discretionary authority was accorded because of the very real danger that the mandatory provisions of section 303, combined with the committee's amendment providing for a 12-month time limit for action under this section, could compel the Secretary to take actions which might well frustrate the successful outcome of the forthcoming negotiations.

The committee is aware that there are differences of opinion internationally as to what constitute permissible and

nonpermissible export assists under international law and practice, and that the negotiation of an agreement on this issue may prove difficult. The committee has no desire to sanction certain existing export-assist practices conducted by various foreign governments. It also recognizes that the United States itself may well be conducting programs of export-assists which foreign governments may find inconsistent with international law and policy.

With this background, the Secretary of the Treasury must be temporarily accorded some degree of latitude in administering section 303 until an international agreement is reached regarding the international practices which would be considered permissible and nonpermissible. Otherwise the Secretary of the Treasury may conceivably be contained to take countervailing action under section 303 against a practice which ultimately may be internationally agreed to be a permissible international export assist. The discretionary authority accorded herein has been restricted to 4 years to facilitate the international negotiations. It has been accorded on the understanding that the U.S. negotiators will report regularly to the Congress on the progress and ultimately on the outcome of the negotiations with respect to international export assists. The committee assumes that it may be necessary to further amend section 303 depending upon the outcome of these negotiations, assuming that they terminate in an agreement acceptable to the United States.

Section 331(b) of the bill would amend subsections (a), (b), and (c) of section 516 of the Tariff Act of 1930, as amended (19 U.S.C. 1516), to provide for judicial review of negative countervailing duty determinations by the Secretary of the Treasury. The amendment is necessitated by a 1971 decision of the Court of Customs and Patent Appeals (*United States* v. *Hammond Lead Products, Inc.*, 58 C.C.P.A. 129, C.A.D. 1017), which held that judicial review of negative countervailing duty determinations was not available to domestic producers If allowed to stand this decision might adversely affect the ability of American producers to obtain meaningful relief under the countervailing duty law, a result not intended by the Congress. Moreover, the amendment is also warranted, for reason of equity, because American producers have a right to judicial review in the customs courts of other customs determinations involving duty assessment of countervailing duties.

Section 516 of the Tariff Act of 1930, as amended, permits American manufacturers, producers, or wholesalers to file a petition with the Secretary of the Treasury contesting the appraisement, classification, or rate of duty assessed with respect to imported merchandise by the Customs Service. The amendment permits such petitions to be filed by American manufacturers, producers, or wholesalers where it is believed that countervailing duties should be assessed.

Under section 516, if the Secretary of the Treasury agrees with the claims made in the manufacturer's petition, he must determine the proper appraised value, classification, or rate of duty and notify the petitioner of his determination and publish such notice in the weekly Customs Bulletin. All merchandise concerned entered thereafter is appraised, classified, or assessed with a rate of duty in accordance with the Secretary's decision. The amendment would apply the same procedure to countervailing duty cases, except that the notification in such cases would be published in the Federal Register.

If the Secretary disagrees with the petitioner's claim, the petitioner may file, within 30 days, after being notified of the negative decision, notice that he desires to contest the decision. The Secretary must then publish the decision and the fact that the petitioner desires to contest.

Following the first judicial decision not in harmony with the Secretary's decision, liquidation of all entries of the subject merchandise subsequent to that decision is suspended pending a final judicial decision. If that decision is sustained on appeal, the merchandise concerned is subject to appraisement, classification, or assessment of duty in accordance with the final decision and effective as of the day after the date of the first judicial decision. The same procedure will be followed in cases involving negative countervailing duty determinations where the court will determine whether or not a bounty or grant is being paid or bestowed on the merchandise in question.

The committee has determined that the effective date of the provisions of the bill amending the countervailing duty procedures should be the date of enactment of the bill.

UNFAIR IMPORT PRACTICES

Section 341 of the bill would amend section 337 of the Tariff Act of 1930 to vest authority in the Tariff Commission to order the exclusion of articles involved in unfair methods of competition and unfair acts based upon the claims of U.S. letters patent and imported or sold in violation of the statute. The decisions of the Commission would be subject to judicial review by the U.S. Court of Customs and Patent Appeals—CCPA.[1] Under the existing provisions of the statute, the President issues such exclusion orders after receipt of findings and recommendations of the Tariff Commission. Section 341 would make no changes in the existing provisions as they relate to the respective roles and authority of the President and of the Commission with respect to unfair methods and acts other than those based upon the claims of U.S. letters patent, which are provided for in subsections (a) through (g) of section 337.

[1] In connection with the existing statute, where commission findings are advisory in nature, it is noted that the U.S. Supreme Court has expressed by way of dictum that the Commission's proceedings under sec. 337 are lacking of a case or controversy necessary for review by the CCPA, a constitutional court (Glidden v. Zdanok, 370 U.S. 530 (1962)). After the President has ordered exclusion of an article, a customs officer's exclusion thereof from entry into the United States is subject to judicial review by the U.S. Customs Court.

As in the past, the Commission would make its determinations in cases involving the claims of a U.S. patent following the guidelines of Commission practices and the precedents of the CCPA. Commission precedent, approved by the CCPA, establishes that the importation or domestic sale without license from the patent owner of articles manufactured abroad in accordance with the invention disclosed in an unexpired U.S. patent constitutes an unfair method of competition or unfair act within the meaning of section 337. In cases involving the claims of U.S. patents, the patent must be exploited by production in the United States, and the industry in the United States generally consists of the domestic operations of the patent owner, his assignees and licensees devoted to such exploitations of the patent. Where unfair methods and acts have resulted in conceivable losses of sales, a tendency to substantially injure such industry has been established (cf., In re Von Clemm, 229 F 2d 441 (CCPA 1955)).

The Commission would also consider the evolution of patent law doctrines, including defenses based upon antitrust and equitable principles, and the public policy of promoting a "free competition" in the determination of violations of the statute. For a period of over 40 years, the Tariff Commission has entertained complaints of importation or sale of articles allegedly made in accordance with the specifications and claims of a U.S. patent, first under the provisions of section 316 of the Tariff Act of 1922, and then pursuant to successor provisions in section 337 of the Tariff Act of 1930. In its decisions under these provisions, the Commission has determined that under certain circumstances, the importation or domestic sale of an article manufactured abroad in accordance with the invention disclosed in a U.S. patent constitutes one type of unfair method or unfair act within the meaning of the statute. This practice has resulted in the Commission's considering U.S. patents as being valid unless and until a court of competent jurisdiction has held otherwise. The public policy recently enunciated by the Supreme Court in the field of patent law (cf., *Lear, Inc.* v. *Atkins*, 395 U.S. 653 (1969)) and the ultimate issue of the fairness of competition raised by section 337 necessitate that the Commission review the enforceability of patents, for the purposes of section 337, in accordance with contemporary legal standards when such issues are raised and are adequately supported. The President is not empowered under existing law—nor would the Commission be under the amendment—to set aside a patent as being invalid or to render it unenforceable. The extent of the Commission's authority is to take into consideration such legal defenses and to make findings thereon for the purposes of determining whether section 337 is being violated.

Any order of the Commission entered in any proceeding would be subject to judicial review in the CCPA within such time after said action is made and in such manner as appeals

may be taken from decisions of the U.S. Customs Court. A complainant as well as an importer would have the right to judicial review of a Commission proceeding such as is contemplated by the committee's amendment.

The Commission would be authorized at any time, after a hearing in the course of its preliminary inquiry or full investigation but before completing its investigation, to issue a temporary order of exclusion if it is satisfied from the evidence in its possession that a probable unfair method or act has been established, and that, in the absence of such temporary order of exclusion, immediate and substantial harm would result to the domestic industry.

Any order issued by the Commission, whether temporary or final, would be terminated by the Commission when, on its own motion or upon request of an interested party, it finds that the conditions which lead to the issuance of the order no longer exist. If, for example, a court of competent jurisdiction should hold invalid or unenforceable a patent involved in an exclusion order, the Commission would take the matter under consideration, and, where appropriate, would terminate or suspend the order of exclusion.

Commission proceedings and actions would be based upon a full hearing on a record, bringing these provisions into accord with the provisions of subchapter II of chapter 5 of title 5 of the United States Code.

TRADE RELATIONS WITH COUNTRIES NOT ENJOYING NONDISCRIMINATORY TREATMENT

Title IV of this act would authorize the President to extend nondiscriminatory—column 1—tariff treatment to imports from countries not now receiving such treatment in return for appropriate benefits to U.S. interests, provided such countries permit their citizens to emigrate and do not impose unreasonable financial barriers to emigration. Nondiscriminatory treatment — most-favored-nation treatment—was withdrawn from all Communist countries except Yugoslavia pursuant to section 5 of the Trade Agreements Extension Act of 1951, which was in turn superseded by section 231 (a)—originally enacted as section 231—of the Trade Expansion Act of 1962. It was restored to Poland in 1960.

Section 231(a) of the Trade Expansion Act of 1962 removed the area of discretion previously available to the President and flatly required denial of nondiscriminatory tariff treatment to all Communist countries. Section 231(b), enacted as an amendment to the TEA in 1963, in effect permitted an exception to be made from Poland and Yugoslavia. The authority requested by the President to extend or withdraw nondiscriminatory treatment in the case of those countries not now receiving such treatment can be a useful factor in obtaining important trade benefits for the United States.

EXCEPTION OF THE PRODUCTS OF CERTAIN COUNTRIES OR AREAS

Section 401 continues in force the provision of existing law requiring the President to deny nondiscriminatory treatment to the products of any country or area not now receiving such treatment except as otherwise provided in this title. The countries not now receiving such treatment, as set forth in headnote 3(e) to the Tariff Schedules of the United States, are Albania, Bulgaria, the People's Republic of China, Cuba, Czechoslovakia, East Germany, Estonia, Hungary, those parts of Indochina under Communist control or domination, North Korea, the Kurile Islands, Latvia, Lithuania, Outer Mongolia, Romania, Southern Sakhalin, Tanna Tuva, Tibet, and the U.S.S.R. In contrast to the Trade Expansion Act, this act will permit the President under certain conditions to extend nondiscriminatory treatment to those countries, under procedures set forth in the succeeding provisions of this title. The term "nondiscriminatory treatment" is intended to be synonymous with the meaning given "most-favored-nation" treatment, that is, products of a country given such treatment are subject to the normal preferential—column 1—rates of duty to which the products of all other nations enjoying such treatment are subject.

FREEDOM OF EMIGRATION AND EAST-WEST TRADE

Section 402 makes the products of a nonmarket economy country; that is, all Communist countries except Yugoslavia, which is subject to this title; that is, all Communist countries except Poland and Yugoslavia, ineligible to receive nondiscriminatory treatment during any period when the President determines that such country—

First, denies its citizens the right or opportunity to emigrate;

Second, imposes more than a nominal tax on emigration, or on documents required for emigration; or

Third, imposes more than nominal taxes, fines, or other charges on a citizen as a consequence of his desire to emigrate to the country of his choice.

During any period when such a determination is in force with respect to any country, the President would be barred from entering into a commercial agreement providing for the extension of nondiscriminatory tariff treatment to that country.

If a non-market-economy country is determined by the President to be eligible to receive nondiscriminatory treatment under the above test, he may conclude a commercial agreement providing such treatment with such country only after submitting a report to Congress setting forth his findings of eligibility. The report must contain information concerning the country's emigration laws and policies, as well as a statement on how these laws and policies are administered. If thereafter the President proclaims the extension of nondiscriminatory treatment to that country, either pursuant to a bilateral commercial agreement or a multilateral agreement, and such treatment is not disapproved by Congress under section 406, then the President must, so long as such treatment is in effect with respect to the products of the country, submit semiannual reports to the Congress with current information on emigration laws and practices.

Section 402 will effectively prevent the extension of nondiscriminatory treatment to Communist countries which frustrate the desire of their citizens to emigrate. If those governments refuse without due cause to permit any individual who desires to emigrate the opportunity to leave, the products of those countries would not be eligible for nondiscriminatory tariff treatment. Further provisions of this section make clear that a country which in theory accords the right to emigrate, but in practice makes the exercise of that right impossible or extremely onerous through the imposition of unreasonable fees, taxes, and other charges, will not be eligible for nondiscriminatory treatment. This section applies to all Communist countries—except Poland and Yugoslavia, the products of which now receive nondiscriminatory tariff treatment.

It is hoped that this section will provide an incentive to the Soviet Union and other Communist countries to permit freedom of emigration. When such freedom is granted, the products of these countries may, subject to the other provisions of this title, be accorded nondiscriminatory tariff treatment by the United States.

EXTENSION OF NONDISCRIMINATORY TREATMENT

Section 403 provides that the President may extend nondiscriminatory treatment by proclamation to any country with which he has concluded a bilataeral commercial agreement meeting the requirements of section 404, or he may issue a proclamation extending such treatment to any country which is a party to an appropriate multilateral agreement to which the United States is a party; for example, the GATT, subject to the congressional veto procedure under section 406(c). Where nondiscriminatiory treatment is extended pursuant to a bilateral agreement, such treatment may be accorded only so long as that agreement is in force. In the case of extension based on multilateral agreement, such treatment may be accorded only so long as both the United States and the country concerned continue to be parties to the agreements.

Nondiscriminatory tariff treatment must be withdrawn during any period the country concerned is in arrears under any agreement to settle its lend-lease debts to the United States. The President is also authorized at any time to suspend or withdraw nondiscriminatory treatment extended under this section. The committee considers that it is desirable to permit the President to extend nondiscriminatory treatment either through a bilateral commercial agreement or the GATT, whichever appears the more appropriate. It is further believed that the provisions of this section are desirable to protect American commercial and security interests. Some consideration has previously been given to extension of nondiscriminatory treatment to Romania, Hungary, and Czechoslovakia. It was the feeling of the committee that some priority should be given to these countries in extending such treatment.

As provided under section 407, the President will make necessary changes in general headnote 3(e) of the Tariff Schedules of the United States periodi-

cally to reflect the granting and withdrawal of nondiscriminatory treatment made under this title.

AUTHORITY TO ENTER INTO COMMERCIAL AGREEMENTS

Section 404 authorizes the President to give effect to bilateral commercial agreements providing for nondiscriminatory treatment to Communist countries whenever such agreements are in the national interest. These agreements would be limited to a period of no more than 3 years, but could be renewed for additional periods of up to 3 years if a satisfactory balance-of-trade concession has been maintained during the previous period, and if U.S. trade concessions have been or will be adequately reciprocated. These limitations are imposed to assure that the United States obtains benefits from such country reasonably comparable although not necessarily of a similar nature, to those it accords. The provision applies both prospectively and to agreements which have already been entered into but not yet implemented, such as the agreement with the Soviet Union signed in October 1972.

This section stipulates that a bilateral commercial agreement must contain safeguards against market disruption, arrangements for settlement of commercial disputes, provisions for bilateral consultation, and, where the country is not a party to the Paris Convention for the Protection of Industrial Property provision, for U.S. nationals to receive, with respect to patents, rights equivalent to those provided in the convention. It also lists illustrative additional provisions which may be included in those agreements. Each agreement, moreover, must be subject to suspension or termination for national security reasons.

The requirements of section 404 will insure that commercial arrangements with Communist countries provide benefits to U.S. business, that they provide an opportunity to monitor the agreement to make certain it operates in a favorable manner, and that such agreements afford the opportunity to secure any adjustment needed to protect our interests. Any such agreement, moreover, may enter into force only if either House of Congress adopts a resolution disapproving it within 90 days after the President delivers copy of the agreements to Congress.

MARKET DISRUPTION

The purpose of section 405 is to provide more easily satisfied criteria for determining whether injury to domestic industries has resulted from imports from countries which are granted nondiscriminatory treatment under this title. This section will provide an additional means whereby effective action can be taken to protect domestic intustries in those cases in which imports from Communist countries under this title are threatening or causing material injury to domestic industries.

Under this section, an entity filing a petition for import relief under section 201 of this bill could request the Tariff Commission to determine whether articles imported from a country receiving nondiscriminatory tariff treatment under this title were causing or threatening to cause, market disruption and material injury to the domestic industry, producing the article like or directly competitive with the imported article. Market disruption, as defined in the bill, exists whenever imports of the article in question are at a substantial level and are increasing rapidly both absolutely and as a proportion of domestic consumption, and when such imported articles are being offered for sale at prices substantially below those of the comparable domestic article.

If the Tariff Commission finds that those tests are met, the President would be authorized to impose import relief measures—additional duties, tariff quotas, absolute quotas, et cetera—on a discriminatory basis against the products of the country concerned, or against the products of all countries.

A problem in trade with nonmarket countries is the possibility that such a country, through its control of distribution to the products which it produces and of the price at which those articles are sold, could disrupt the domestic markets of its trading partners and injure producers in those countries. It is intended that section 405, which reduces the level of injury needed to permit an affirmative determination in import relief cases—from "serious injury" to "material injury"—will provide needed protection to domestic producers. The term "comparable domestic article" is intended as a narrower classification than "like or directly competitive article." The provisions of this section are in addition, of course, to the protections already afforded under the Antidumping Act.

PROCEDURE FOR CONGRESSIONAL DISAPPROVAL OF EXTENSION OR CONTINUANCE OF NONDISCRIMINATORY TREATMENT

Section 406 establishes a procedure under which Congress can disapprove the extension or continuation of nondiscriminatory treatment within 90 days after the President submits a proclamation providing nondiscriminatory treatment or an annual report on emigration practices.

In the case of an initial extension of nondiscriminatory tariff treatment to the products of a country covered by this title, the President must submit to Congress, in addition to the report on emigration practices required by section 402, a copy of his proclamation extending nondiscriminatory treatment, a copy of the multilateral or bilateral agreement pursuant to which such treatment is to be extended, and a statement of his reasons for extending such treatment to the country concerned. The proclamation will enter into force if, and only if, neither House of Congress adopts a resolution approving the extension of nondiscriminatory treatment to such country within 90 days after the submission of these documents. Special rules governing procedures for dealing with resolutions under section 406 are contained in section 151 of the bill.

In addition, after the President submits the semiannual report required to be submitted to Congress on or before December 31 of each year under section 402(b) regarding the emigration practices of a country to which nondiscriminatory tariff treatment is extended under this title, either House may adopt a resolution within 90 days disapproving the continuation of such treatment. In the event such a resolution is adopted, nondiscriminatory treatment will cease to be in force. Nondiscriminatory treatment may not thereafter be extended to the products of such country except in accordance with the provision of this title.

These congressional veto provisions will assure continuing congressional control over commercial dealings with Communist countries.

GENERALIZED SYSTEM OF PREFERENCES

Title V of the bill would authorize the President to participate with other major developed countries in the granting of generalized tariff preference to imports from developing countries for a period of 10 years. The bill requires the President submit a full and complete report to the Congress on the operation of the system within 5 years. The system would provide for duty-free treatment for any article determined to be eligible under the provisions of section 503 imported from any country designated as beneficiary under the provisions of section 502, and subject to the limitations specified in section 504. In granting such treatment the President must have due regard for the effect such action would have on the economic development of developing countries, the anticipated impact on domestic producers, and the extent to which other developed countries are making a comparable effort to assist developing countries through the granting of generalized tariff preferences.

BENEFICIARY DEVELOPING COUNTRIES

The bill contains several criteria for determining countries which may be designatd as beneficiaries of generalized tariff preferences. Statistical criteria such as per capita GNP are not very satisfactory measures by themselves for distinguishing between various levels of development, since these statistics must be evaluated in the light of other economic factors. Moreover, some countries now regarded as developing countries may reach a high enough level of development well before the end of the 10 years to justify termination of preferential treatment to them. Consequently, no definition or list of developing countries has been included in the bill. It does include a list, however, of countries which are generally recognized to be developed countries and stipulates that these countries cannot be designated as beneficiary developing countries. The list is similar to that in the interest equalization tax legislation. Inclusion of this list in the bill does not imply that all other countries will be eligible for generalized tariff preferences, or that any member country of the European Economic Community, if otherwise qualified, would be ineligible for preferential treatment if its membership in the Community were terminated.

The bill would prohibit the granting of generalized tariff preferences to coun-

tries which do not receive nondiscriminatory—column 1—tariff treatment, and would require the withdrawal of preferences from countries which subsequently cease to be eligible for such treatment. The bill would also prohibit the granting of generalized tariff preferences to any developing country which grants preferential treatment to the imports of another developed country—"reverse" preferences—unless the country provides satisfactory assurances that it will eliminate these "reverse" preferences before January 1, 1976. Preferential treatment would be withdrawn if the country has not eliminated "reverse" preferences before that date. The condition would not be met if a developing country simply extended to the United States "reverse" preferences granted to another developed country. This criterion is intended to provide increased pressure for developing countries to remove "reverse" preferences within a reasonable period of time.

In addition to the mandatory criteria, section 502 lists a number of other factors which must be taken into account in designating beneficiary countries. No one of these criteria is individually controlling on the President. However, they do constitute guidelines and reflect certain expectations about beneficiary countries. It is expected that a potential beneficiary country will express its desire to be so designated, in accordance with the "self-election" principle which the donor countries of generalized tariff preferences have generally agreed to apply. A potential beneficiary is expected to present a bona fide claim to development status based on its level of development as defined by appropriate economic indicators. The developed countries have agreed to make their generalized preference systems roughly comparable and, in general, the United States would not expect to give preferential tariff treatment to countries which do not receive such treatment from other donor countries. The expropriation of U.S. property in violation of international law by a potential beneficiary country is also to be taken into account.

The term "country" is specifically defined to include the insular possessions of the United States to insure that they may be designated as beneficiaries. Designation as a beneficiary is not intended to impair any benefits that these possessions are receiving by reason of headnote 3(a) to the Tariff Schedules of the United States. It is intended that the products of U.S. insular possessions should under no circumstances be treated less advantageously than those of foreign countries. To the extent that such products would be entitled to better treatment under headnote 3(a) than under this title, they should receive treatment under 3(a).

Indeed, in determining eligibility of an article under this title, the President should take into account the extent to which duty-free treatment of such articles from the insular possessions are presently contributing to the economic well-being and development of the insular possessions, and the extent to which such trade would be adversely affected if such articles were to be made eligible for generalized tariff preferences.

The President may provide that all members of an association of countries for trade purposes, that is, a free trade area, customs union, of association leading to the formation of such an area or union, shall be treated as one country for the purposes of this title, provided each member of the association is eligible for individual designation as a beneficiary country. Where an association of countries is designated a beneficiary, exports from all member countries of the association shall be treated as exports of the association, both for purposes of the value-added requirements of section 503 (b) and for the purposes of the competitive need limitation in section 504(c). For these purposes, movement of goods among members of the association prior to their exportation to the United States is to be disregarded.

Prior to designating any beneficiary country the President must notify both Houses of Congress of his intention and the considerations on which the decision is based. He must also notify the Houses of Congress 30 days in advance of terminating beneficiary status to any country and his reasons for the termination.

ELIGIBLE ARTICLES

Section 503 establishes the procedures and criteria for determining products which may be eligible for duty-free preferential treatment. The "prenegotiation" procedures specified in sections 131 through 134 of this bill would have to be followed prior to granting preferential treatment on any article, as though the act of designating an article as an eligible article under this title were an action affecting rates of duty pursuant to a trade agreement under section 101. These procedures include the advice of the Tariff Commission as to the anticipated economic effect on domestic producers, information and advice from other Government agencies, and public hearings.

Before any list of articles to be considered for designation as eligible is furnished to the Tariff Commission for purposes of its required investigation under section 131, an Executive order would have to be in effect designating beneficiary countries. The Tariff Commission would not be able to make a sound judgment of the economic impact of preferences on industries producing like or competitive articles unless the Commission were apprised of the list of countries which will receive preferences. At the same time, it is recognized that the list of beneficiary countries may be modified from time to time.

The term "article" will in general refer to the five-digit tariff item numbers of the tariff schedules of the United States. Exceptions may be made to this rule if necessary to insure that an article is a coherent product category.

No article would be eligible for duty-free preferential treatment for any period during which it is the subject of import relief measures under section 203 of this bill or section 351 of the Trade Expansion Act. It could not be designated at any time while import relief action is in effect, and if, subsequent to its designation, the President, pursuant to a finding of the Tariff Commission, took an import relief action affecting it, the preferences would be terminated. Section 203(f) further provides that if the Tariff Commission finds under section 201(b) that serious injury to a domestic industry is resulting from the extension of preferences under this title, the President may terminate the preference without taking other import relief action.

Where injury to the domestic industry results from imports entering under preferences which receive bounties or grants in the country or countries of origin, such imports will be subject to countervailing duties under the provision of section 303 of the Tariff Act of 1930.

To receive preferential treatment, an eligible article must meet specific rules of origin to insure that the benefits of U.S. generalized preferences accrue to the designated beneficiary developing countries. To receive preferential treatment such articles must be imported directly from a beneficiary developing country into the customs territory of the United States. The value added in the developing country, including the cost or value of materials produced in the developing country and the direct costs of processing operations, must also equal or exceed a minimum percentage of the appraised value of the article at the time of its entry. This minimum percentage cannot be less than 35 percent or more than 50 percent of the appraised value as prescribed in regulations established by the Secretary of the Treasury and shall be uniformly applied to all eligible articles from all beneficiary developing countries. The percentage may be adjusted within this range from time to time in the light of actual experience, to assure that, to the maximum extent possible, the preferences provide benefits to developing countries without stimulating the development of "passthrough" operations the major benefit of which accrues to enterprises in developed countries.

In determining the appropriate percentage for value added, the Secretary of the Treasury will be expected to evaluate the effects of the extension of preferences on trading patterns, paying especial attention to imports of products ordinarily dutiable at high rates which enter under the system and contain a high proportion of manufactured components produced in developed countries. The Secretary should increase the percentage for value-added in the event he finds that imports of products of this type are increasing sharply and substantially. The range of up to 50 percent has been included to permit adjustments in the light of experience, since at the present time the effect of various percentage levels on patterns of trade is unknown.

The President should take into account the interests of the insular possessions of the United States in determining the eligibility of any article.

LIMITATIONS ON PREFERENTIAL TREATMENT

The President is authorized to withdraw, suspend, or limit preferences at any time with respect to any article or any beneficiary developing country. In taking such action, the President must consider the factors taken into account in granting preferential treatment initially and in designating beneficiary countries. Withdrawal or suspension of preferential treatment restores the rate

which would apply in the absence of this title; an intermediate rate of duty cannot be established. As noted in the GATT waiver authorizing generalized tariff preferences, the United States and the other developed countries agreed that preferences are voluntary and that they do not constitute a binding commitment. Consequently, the withdrawal or suspension of preferential treatment would not give rise to payment of compensation under section 124 of this bill. Nor would the reduction of the general level of tariff rates as the result of bilateral or multilateral trade agreements create in beneficiary countries any right to compensation for the reduced incidence of preference.

The President is required to withdraw or suspend preferential treatment from any country which ceases to receive nondiscriminatory—column 1—tariff treatment from the United States. He must also withdraw or suspend preferential treatment from any country which has not or will not eliminate reverse preferences before January 1, 1976.

Duty-free preferential treatment shall also not apply to a particular article from a particular beneficiary developing country if that country has supplied, directly or indirectly, 50 percent or more of the total value or over $25 million of U.S. imports of the article during the latest calendar year for which complete data are available. If imports of an article eligible for preferences from a beneficiary country reach the 50 percent or $25 million level in any calendar year, the preference on that article from that country must terminate not later than 60 days after the close of the calendar year, unless the President determines before the end of the 60-day period that granting or continuing the preferential treatment would be in the national interest.

This competitive need formula is designed to provide an express requirement governing the withdrawal or suspension of preferential treatment in those cases where it can no longer be justified on grounds of promoting the development of an industry in a particular developing country. This authority also enables the President to withhold the initial granting of preferential treatment to a particular developing country which has already demonstrated its competitiveness in the article in question. The formula is also designed to provide more opportunities to the least developed countries which would not have to compete in the U.S. market on equal terms with highly competitive products exported by more advanced developing countries. It should be noted that the competitive need formula takes into account indirect exports-reexportations, et cetera—whereas indirect exports are not eligible for preferences under this title.

Since the bill authorizes the President to grant generalized preferences for a period of 10 years, the committee considers it important to monitor the operation of this title and to insure that it fulfills the purposes for which it is intended. Therefore, the bill requires the President to submit a comprehensive report on the operation of the U.S. system of generalized preferences no later than 5 years after enactment of the bill.

GENERAL PROVISIONS

Title VI, the general provisions of the bill, defines certain terms of a general nature used throughout the bill, as well as certain terms having applicability to specific sections of the legislation. The title also specifies the relationship of this bill to certain other legislation where appropriate, and it provides for certain authorities to the Tariff Commission and the President with respect to information on the operation of trade agreements and changes in the Tariff Schedules of the United States as a result thereof.

Mr. SCHNEEBELI. Mr. Chairman, I yield myself 10 minutes.

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

Mr. SCHNEEBELI. Mr. Chairman, since the mid-1930's, the trade agreements program has been one of the cornerstones of U.S. international economic policy. During this period, the trade agreements program has been renewed and broadened, culminating in the Trade Expansion Act of 1962.

The Trade Reform Act now before the House builds on this record, but also makes important changes to properly restrict presidential authority and to involve the Congress as a full partner in all trade negotiations.

The chairman has explained the bill in detail. In view of his explanation and the intention of other members of the committee from our side of the aisle to concentrate on particular areas of the legislation, my remarks will be general in nature and focus on the rationale for the bill.

The President has been without authority to adjust tariffs since the authority provided by the Trade Expansion Act of 1962 expired on June 30, 1967. Although the rules of the GATT require that we grant compensation to our trading partners when we provide import relief to a domestic industry under our escape clause, there has been no authority for the President to do so. This invites other nations to retaliate if we take escape clause action and may inhibit action to provide import relief.

Although tariffs were reduced substantially during the Kennedy round, in many cases they still significantly inhibit trade. An attempt at further reductions on a reciprocal basis would be mutually beneficial to both the United States and our trading partners.

The committee bill, therefore, grants authority to the President to proclaim limited tariff reductions as a result of trade agreements entered into with our trading partners over the next 5 years. Broad prenegotiation procedures are included to insure the fullest participation by interested members of the public, and reduction in duties would have to be staged to cushion the impact on domestic industries.

In addition to these limitations as to procedure and the duration of the authority provided, the latitude to cut specific tariffs is carefully limited in this bill. Present tariffs of between 5 and 25 percent ad valorem may be reduced by 60 percent of the present amount. While tariffs above 25 percent ad valorem may be reduced 75 percent but in no event below 10 percent ad valorem. As in the Kennedy round, reduction in duties of 5 percent or less are not subject to limitation but may be eliminated in order to avoid nuisance duties not providing any real protection but represent an administrative burden.

It should be noted that to the extent feasible the basic negotiating authority is to be used to insure reciprocity of market access to each sector of agriculture, manufacturing and mining.

Trade figures for 1971 show about $45.5 billion in U.S. imports, with about one-third or $15 billion being duty free, and the remaining two-thirds, or $30 billion, being subject to duties. Of the $30 billion in dutiable imports, about $13.5 billion were subject to duties of 5 percent ad valorem or less that could be eliminated under this bill, but the remaining $16.5 billion—more than one-third of all imports and more than one-half of dutiable imports—would be subject to reduction limitations. When we consider that the average level of U.S. tariffs was 12 percent at the beginning of the Kennedy round and is today 8 percent, the authority provided in this bill provides even less latitude in duty reductions than the Trade Expansion Act of 1962 did.

Interference to free trade is of two types—tariffs and other devices and practices known as nontariff barriers, or NTB's. There has been growing recognition in recent years that the benefits of previous negotiations have been undermined and are threatened by the continuing extension of these nontariff barriers. And if we are to maintain an open world trading system, the United States must be prepared to meet our trading partners' commitment to effectively negotiate for the elimination of NTB's, which are varied and wide-ranging, such as quantitative limitations, subsidized exports, Government procurement practices, border taxes, licensing, et cetera.

The bill provides procedures authorizing the President to negotiate on nontariff barriers while preserving legislative prerogatives and insuring effective participation by the Congress. The President would be authorized, during a 5-year period, to enter into trade agreements providing for the reduction or elimination of nontariff barriers. Under this authority, NTB's must be negotiated to the extent feasible, on the basis of similar product sectors. A principal negotiating objective will be to obtain competitive opportunities in exports for our product sectors equivalent to competitive opportunities afforded in the United States market for similar products.

The prenegotiation requirements, including public hearings by the Tariff Commission, public hearings by our negotiators, and full and continuing consultation by interested and appropriate groups in the private sector with our negotiators—both before and during negotiations—would apply in the case of nontariff barriers as well as tariffs.

The bill requires the President, at least 90 days before entering into an agreement on nontariff barriers, to notify both the House and the Senate of his intention to do so and to place a notice in the Federal Register. After entering into the agreement, copies of the agreement along with any implementing proclamations and orders must be transmitted to the House and Senate. The agreement and any implementing proclamations and orders will go into effect at the end of 90-day period unless either House of Congress adopts a resolution of disapproval by simple majority.

It is quite evident, with all these provisions of the bill for congressional review and oversight, that we have assured proper and ample controls by the Congress.

While liberalizations in trade will result in improved efficiency and greater economic well-being for the Nation as a whole, the process of adjusting to increased competition sometimes imposes burdens on individual industries, businesses, or workers. Where an industry has been seriously injured in the past by imports, the law has provided for import relief. Additionally, in these cases or where separate proceedings were instituted, workers suffering from significant unemployment could receive adjustment assistance.

However, under the Trade Expansion Act of 1962, it was necessary to show that the dislocations were in major part due to increased imports which were in major part caused by past tariff concessions. This double burden posed insurmountable obstacles to many industries and their workers, so the committee has, therefore, greatly liberalized the criteria entitling industries and workers to relief.

Under the bill before the House, it will only be necessary for an industry that is seriously injured to show that imports are a "substantial cause" of the injury in order to be considered for import relief. In the case of workers applying for adjustment assistance, it will only be necessary to show that imports contributed importantly to total or partial separation and to a decline in sales and production of the workers' firm.

The benefits for workers are liberalized considerably, and adjustment assistance is provided for firms. Additionally, the Secretary of Labor will make eligibility determinations for adjustment assistance in the case of workers, and the Secretary of Commerce will make determinations on adjustment assistance relative to firms. The streamlined procedures will expedite action on applications for adjustment assistance, and the liberalized criteria will provide greater access to needed relief.

The bill also contains improved procedures providing relief against unfair practices by our trading partners.

The countervailing duty and antidumping statutes are tightened and time limits are imposed to insure expeditious consideration of complaints by domestic interests. The President's authority to retaliate in the case of unfair trade practices by our trading partners, both against American imports in their own markets or to third country markets, is expanded.

Additionally, title IV of the bill provides carefully circumscribed authority for the President to extend nondiscriminatory tariff treatment to countries which are not now entitled to that treatment. The right to grant this treatment would, as the Members know, be limited to insure that it is not extended to countries with restrictive emigration policies.

The bill also provides authority for the United States to participate in a generalized system of tariff preferences to underdeveloped countries. This carefully limited authority will enable the United States to join with our trading partners in providing a system of tariff preferences to enable these countries to develop their own productive capacity.

In view of the magnitude of the bill and the fact that other Members will comment in more detail on these provisions, will not disuss any further in detail.

While the bill provides authority adequate for the United States to participate in a new round of negotiations on tariffs and nontariff barriers, new limits are included, as I mentioned previously, to safeguard the rights and responsibilities of the Congress. As before noted, any proclamations and orders implementing agreements on nontariff barriers may not go into effect if either House of Congress passes a resolution of disapproval.

Additionally, whenever the President extends nondiscriminatory tariff treatment to a country under title IV, the Congress will have a 90-day period in which either House may adopt a resolution of disapproval. The President also must submit an annual report with respect to each nation receiving this treatment under title IV, and a resolution of disapproval by either House within 90 days will preclude any further extension of such treatment.

If the President takes action on an escape clause investigation to impose quantitative limitations or to enter into an orderly marketing agreement, the same procedure for disapproval within 90 days is provided. Similarly, if the President takes action under section 301 against unfair trade practices of foreign countries, either House of Congress could adopt a resolution of disapproval within 90 days.

The bill provides for the appointment of five members of the Ways and Means Committee and five members of the Senate Finance Committee at the beginning of each regular session of Congress to be accredited as official advisors to the U.S. delegation negotiating any trade agreement. It is contemplated that the U.S. advisors will be kept fully informed on all aspects of the negotiation and will in turn keep Congress informed. Annual reports on the trade agreements and import relief and adjustment assistance will also be required.

Finally, Mr. Chairman, let me point out that trade is of increasing importance to our country, and this bill is of critical importance to further efforts to improve our trade posture.

In the last 5 years our exports have increased from a total of $37 billion in 1969 to a projected $68 billion at the completion of this year. In 5 years our exports will have increased 83 percent. Agriculture has played a prominent role in this growth.

In 1969 our agricultural exports were $6 billion. In 1973 our agricultural exports are expected to be $17 billion, an increase of 183 percent. We recognize the fact that much of the thrust and the impulse for this increased export comes as a result of two currency devaluations amounting to about 25 percent which makes our export more competitive.

This year for the first time in several years we will show a balance of trade surplus. Hopefully this change in the character of our balance of trade will be continued for the next several years as the result of the momentum that we gained from the devaluation.

We are going to hear something in debate about the opposition to the use of the Export-Import Bank with regard to our exports to the U.S.S.R. in particular.

I would like to analyze some of this criticism and analyze what our Export-Import Bank has done with regard to our exports to Russia. The Export-Import Bank has been in existence since 1934. For the first time, February of 1973, we have authorized the support of credits for some exports to Russia.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, of the total authorization of $12 billion by the Export-Import Bank as of the end of June of this year, $103 million were for financing export credits for Russia—only eight-tenths of one percent of our total export credits.

What is the character of the four loans that have been authorized? One is for electric submersible pumps. One is for helping build a plant for producing tableware and dishware. One is for circular knitting machines, and the last is for helping build a truck plant.

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

Mr. SCHNEEBELI. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, it has been 11 years since this body has considered major trade legislation. In that time we have had a change in leadership on both sides of the aisle, with Mr. ULLMAN and Mr. SCHNEEBELI now leading the committee, in the very complicated and challenging task that is now before us. I think we are deeply indebted to Mr. ULLMAN and to Mr. SCHNEEBELI for an outstanding piece of work.

Mr. SCHNEEBELI. I thank the gentleman for that reference.

In conclusion, Mr. Chairman, the bill reported to the House provides far less authority than the administration requested in almost every area, but particularly in regard to negotiating authority on tariffs and nontariff barriers. At each step of the way, procedures are provided to insure that congressional authority may be exercised. Congress will be fully represented at all negotiations and procedures for close liaison with

Congress are included. More than at any other time in the history of our trade agreements program, the new bill provides for effective exercise of congressional responsibility and insures that Congress will be a full working partner as authority on this bill is exercised.

Mr. Chairman, this bill is a balanced approach which provides needed authority for the United States to conduct its international economic affairs in the next few years. We will have an opportunity to review the program as it develops, and to insure that action taken is fully consonant with Congress' views of U.S. interests.

If we are to act responsibly in meeting our international commitments, in developing a free world trading system with our partners, and in restructuring rules governing international trade, this legislation is vitally needed. I urge all of my colleagues to join me in supporting this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHNEEBELI. I yield myself 1 additional minute.

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

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

Mr. ZWACH. Mr. Chairman, I have been very concerned with legislation that says, "The President shall—the President shall— the President shall." It looks like we are surrendering to the President entirely; but as I read the bill, I see there are some congressional strings. We do keep congressional responsibility to the extent that Congress shall regulate interstate and foreign trade.

I want to compliment the committee in that, because as a Member here who has not said a great deal, I have been very concerned about the surrendering of congressional rights on war, on many matters, and now on trade.

I want to impress how important it is that we keep congressional responsibility in this bill. I do know they are there and I want to compliment the committee for them.

Mr. SCHNEEBELI. I thank the gentleman for his contribution.

There are many areas here of congressional oversight.

Mr. SCHNEEBELI. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. COLLIER).

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

Mr. COLLIER. Mr. Chairman there was a time when the United States produced 76 percent of all the world's automobiles and 47 percent of the world's steel supply. Today we produce only 33 percent of the world's automobiles and our steel production represents only 19 percent of the world's total.

These are sobering statistics because they deal with the Nation's two greatest industrial enterprises. And they are symbolic of other domestic industries.

There are many reasons for this situation and not the least of which is the tremendous increases in the technical competence and productivity of Japan and Western Europe. Whether we as a nation should take the tragic course of excessive protectionism on one hand, or adopt a free trade policy pursuing an "all give and no take" concept, we can only look to the years ahead as a further economic headache for this country. But one thing that is certain, we must not close our doors to imports, for we have the productive capacity to demand that we sell American goods on the basis of a dollar in exports for each dollar of goods that we import. There is no simple road to achieving this desirable and necessary balance.

As a nation we cannot control the activities or attitudes in foreign countries by any trade legislation we pass in this Congress. Our balance of payments problems and trade deficits in recent years have been a source of justifiable concern to all of us. But recent months have seen our position improve, partially because we and our major trading partners have had two currency realinements in the last 2 years and several currencies continue to float. This has taken place during a period in which we have seen an almost brutal inflationary spiral, although the rate of inflation in the United States is still well below that of most industrial nations in the world.

We have made progress in defrosting the economic cold war with the Soviet Union and the People's Republic of China. It seems to me that all of this points to the fact that things have changed dramatically in the past three decades, and the United States must enter the world market on a hard bargaining basis or we may find ourselves sitting on the curbstone watching the economic parade of a changing world pass us by.

This is the climate which prevails as we take up the first major trade legislation that has come before this Congress in nearly 11 years.

The bill which our committee has reported, H.R. 10710, is by no means legislative perfection, because conflicting interests, ideologies, and philosophies are inherent to trade bills. I support this bill because it is structurally sound and because it is as close as we can get to meeting our fundamental needs for establishing a new trade policy while accommodating a host of parochial interests and concerns. Certainly we are going to have some problems after its enactment, but we also have an opportunity to provide the basic vehicle for the attainment of those goals which are essential to our survival in the international marketplace.

I would be more satisfied if H.R. 10710 strengthened provisions in assisting many beleagured domestic enterprises in their battle against import penetration, much of which is abetted by unfair practices on the part of our trading partners. But this bill does make substantial improvements in the escape clause and provides greater access to import relief for both domestic industries and the American workingman.

This will be denied, I am sure, in the course of this debate by opponents of this bill—many of the original proponents of what we came to know as the Burke-Hartke bill. But if this bill is defeated for any reason at this time, by a majority of the Members who did not get just what they wanted in trade legislation, the present problems which we face can only be compounded. What answer is there in failure to enact any trade legislation? That is a question each of us will have to answer if this bill is not passed.

I hope and trust it will not suffer that fate because I think that the bill occupies a reasonable middle ground between opposing points of view with respect to the impact of imports. It provides wider avenues to relief than existing law. But at the same time it avoids certain so-called protectionist provisions which would make it anathma to some of the more free-trade oriented Members. I guess what I am saying is that it represents the best and most reasonable compromise possible.

It is a realistic bill designed to be effective in the real world of today rather than one which might be tailored to a "never-never land" philosophy.

This is illustrated well in title I which includes the President's basic negotiating authority.

The administration, in its original proposal to the Congress, asked for virtually unlimited authority to raise or lower rates of duty in negotiating trade agreements. It also sought broad authority to negotiate on nontariff trade barriers with the proviso that agreements which were reached would be subject to a congressional veto procedure. The committee strengthened this veto procedure, and applied it to other provisions of the bill as well. And we did not agree to the carte blanche tariff adjustment authority which was requested.

The administration argued that it needed wide negotiating latitute in order to reach agreements which would be meaningful and mutually beneficial.

The committee, however, decided that reasonable limits on the President's authority would provide some assurance of fundamental protection for home interests without preventing the successful completion of negotiations.

Under the committee bill, the President would, in connection with a trade agreement, be authorized to reduce duties according to a formula based on rates existing as of July 1, 1973.

In providing the various Presidential authorities I have mentioned, the committee was very much aware that in many instances it was breaking new ground, and that the powers which were granted were vast, indeed. Therefore, these powers were reduced substantially from those which the administration originally requested and were carefully circumscribed to insure congressional review. Additionally, the committee provided extensive machinery, much of it also new, to protect the rights of interested parties.

Whenever the President decided to take action under the basic negotiating provisions of title I, he would have to publish and send to the Tariff Commission lists of articles involved. The Tariff Commission would have 6 months to investigate and advise the President as to

the probable economic effect of any rate changes on domestic producers and on consumers. The Commission also would report to the President, at his request, on the probable economic effect of changing or eliminating trade barriers other than tariffs. Data on converted duty rates, affording protection substantially equivalent to the original trade barrier, would be included in the Commission's report.

In preparing its advice, the Tariff Commission would be required to hold public hearings and to investigate a variety of economic factors, both at home and in other countries where feasible.

The President also would be required to obtain advice from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury, as well as from the Special Representative for Trade Negotiations, before entering into any tariff adjustment agreement. Finally, he would be required to provide for publice hearings in which any interested party could present views on either a tariff adjustment or NTB agreement.

Provision also is made in the bill for two general types of advisory committees from the private sector. The first would be a single Advisory Committee for Trade Negotiations, to be composed of no more than 45 representatives of Government, labor, industry, agriculture, consumer interests, and the general public. The other type would be an advisory committee for a particular product sector. The Ways and Means Committee was concerned that an excessive number of these might be self-defeating, and has expressed the hope that no more than 30 would be established.

Also provided is machinery for the submission of information to our negotiators on a confidential basis, where appropriate, by interested affected parties. Private sector representatives would not participate in actual negotiations, of course, nor would their recommendations be in any way binding on the negotiators. But they would be heard.

The committee was especially determined to make certain that the Congress would become a partner in the negotiating process, to the maximum extent practicable. Five members of the Ways and Means Committee and five members of the Finance Committee would be recommended by the Speaker and the President of the other Body, respectively, and would be appointed by the Chief Executive at the beginning of each Congressional session, to serve as official advisers at all negotiations.

Our committee envisions frequent meetings during the actual negotiations, in order that we might be kept up-to-date on developments by our own Members serving as Congressional delegates, by our staff and by representatives of the executive branch. These briefing sessions are designed to form the basis for periodic formal reports from the committee to the House. Additionally, we plan to hold public hearings on the annual reports which the President would make to the Congress on the operations of the trade agreements program under the legislation before us.

In developing the many provisions of H.R. 10710, which grant negotiating authority to the President, the committee has attempted to build wherever possible on the fundamentals of trade law which have served us well over the past four decades. In some cases—with respect to nontariff barrier negotiations, for example—we had to move into legislatively uncharted areas in order to meet problems which our predecessors could not foresee.

In all instances, however, we were guided by two overriding aims: To provide sufficient but not excessive authority to enable the executive branch to reach agreements which would be of maximum benefit to the United States, and to make certain that the Congress and affected sectors of our economy would have a real and audible voice in trade negotiations.

I believe we succeeded, Mr. Chairman, and I urge the support of all my colleagues for this legislation, which is clearly both reasonable and necessary.

Mr. SCHNEEBELI. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. TEAGUE of California. Will the gentleman yield?

Mr. COLLIER. Yes. I yield to the gentleman.

Mr. TEAGUE of California. We have had a problem for some time now out in California and Arizona because of the fact that Japan refuses to allow us to import oranges into that country. They allow the importation of lemons and grapefruit but not oranges. Under the overall concept of this bill, would we have some hope for some negotiations which might result in a relaxation of Japan's attitude in that regard?

Mr. COLLIER. I would say very definitely, and I think this is the forte of this bill. If provided the tools and the authority to negotiate, and presuming, of course, as we must, that our negotiators will be fair but tough, that is the type of thing we need to negotiating fair and equitable agreements. It is the best way to eliminate the nontariff barriers which have plagued American industry for so many years.

Of course we must recognize that we too have some nontariff barriers. There is no good reason why good faith, sitting and negotiating, using the tools provided in the bill cannot provide a solution to the specific problem that the gentleman from California is talking about.

Mr. TEAGUE of California. I thank the gentleman.

Mr. ULLMAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Michigan (Mrs. GRIFFITHS).

Mrs. GRIFFITHS asked and was given permission to revise and extend her remarks.)

Mrs. GRIFFITHS. Mr. Chairman, I thank the gentleman from Oregon very much for yielding me this time.

First, Mr. Chairman, I should like to extend my congratulations to the chairman of the committee, and the ranking minority member, for the tremendous work they did in bringing this bill to the floor. I am sure that without their leadership there would have been no bill. The administration owes a vote of thanks to the gentlemen. I would like to say also that I think it is a far better bill than the bill the administrtion introduced.

Mr. Chairman, it is widely recognized that nontariff barriers have become increasingly important trade restrictions as tariffs have been reduced. The forthcoming multilateral trade negotiations must deal with them. Some of these restrictions distort trade more than tariffs. Also, it would make no sense to reduce tariffs further, only to have the effects of such reductions nullified or impaired by nontariff measures.

The problem is how to enable our negotiators to deal effectively with nontariff barriers. Under the Constitution the President has the authority to negotiate international agreements with foreign countries. But the Congress has the power to enact domestic legislation, in which many nontariff barriers are imbedded.

In trade-agreements legislation since 1934 the Congress has periodically delegated to the President prior authority to implement negotiated tariff reductions. In order to stay within the Constitution, this delegation of authority has been limited and carefully circumscribed. It has enabled the Executive to negotiate trade agreements for tariff reductions but, at the same time, has preserved congressional control over the nature and extent of these reductions.

Negotiating authority in the field of nontariff barriers is much more complicated. Unlike tariffs, nontariff barriers are heterogeneous in nature. Consequently, there is no common standard applicable to nontariff barriers that lends itself to a general delegation of authority as has been done in the case of tariffs.

The bill reported out of the Ways and Means Committee provides an answer to this problem of executive authority to negotiate and congressional authority to legislate.

In the first place, this bill exhorts the President to negotiate on nontariff barriers and provides him authority to enter into agreements with foreign countries to reduce or eliminate them. It makes clear that the Congress, as well as the Executive, is behind such negotiations—even though it is recognized that they will inevitably involve United States, as well as foreign, concessions on nontariff barriers. This joint commitment on the part of the Executive and the Congress is important to U.S. credibility in negotiations on nontariff barriers.

Second, the traditional methods that the President now has to implement the results of non-tariff-barrier negotiations that require congressional action are preserved.

In addition, a new alternative method of implementing non-tariff-barrier agreements is included in the bill. Section 102 requires the President to notify both Houses of the Congress 90 days before he plans to enter into a trade agreement on a particular nontariff barrier. The purpose of this 90-day period is to assure consultation on the prospective agreement with the appropriate committees,

and to give the Congress an opportunity to hold hearings and to recommend revisions in the agreement before it is concluded. After the agreement is negotiated the President is required to submit it to the Congress and, if not disapproved by either House within an additional 90-day period, it would enter into force.

This congressional veto procedure is an optional method of implementing agreements on nontariff barriers. Resort to it, as well as the substance of such agreements, would be a subject of congressional consultations. The committee believes that the congressional veto procedure is adequate for the purpose of insuring Congress a proper role in the formulation and review of non-tariff-barrier agreements and of establishing U.S. credibility in the nontariff barrier negotiations.

I feel, as do most of my colleagues in the committee, that section 102 of this bill bridges the very difficult area between executive negotiating authority and congressional legislative authority. It is clear from this provision that Congress welcomes non-tariff-barrier negotiations. The congressional veto procedure, particularly its requirement for close consultation with the Congress before and after the conclusion of an agreement, gives a reasonable expectation that negotiated agreements will be implemented. At the same time, this section maintains the constitutional responsibilities of the Congress with respect to domestic legislation.

Mr. ULLMAN. Mr. Chairman, I thank the gentlewoman from Michigan for her kind remarks.

Mr. Chairman, I now yield 10 minutes to the gentleman from Georgia (Mr. LANDRUM).

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

Mr. LANDRUM. Mr. Chairman, I wish to add my support to and urge the passage of H.R. 10710, a bill which in my judgment will insure the opening and the maintaining of equitable world trading markets, and to insure that the U.S. exports will not be discriminated against or disadvantaged by unjustifiable subsidies of competitive foreign imports, in third-country markets.

Any legislation on the subject of foreign trade must have teeth. Legislative safeguards are necessary not only to insure fair treatment for the U.S. products abroad, but are equally important to protect them against the dumping and subsidization of imports into the United States.

In this bill, H.R. 10710, great effort was given to providing these vital safeguards, and time should show that the effort was not wasted.

When I speak of effort here, I speak in terms of the full committee, but at this point I want to take a moment to say to the membership of the committee that we all owe a debt of gratitude to the leadership furnished by the acting chairman of the committee, the gentleman from Oregon (Mr. ULLMAN) and to the ranking minority member of the committee, the gentleman from Pennsylvania (Mr. SCHNEEBELI) in a trying and difficult situation in the committee, when the regular chairman, the gentleman from Arkansas (Mr. MILLS) was felled by illness. The gentleman from Oregon (Mr. ULLMAN) took over the management of this bill and did a magnificent job in guiding the committee to produce the bill that we have here, and in bringing it to the floor, and I commend the gentleman, as well as the leadership from the minority.

This bill revises and expands the President's authority to act against foreign countries maintaining unjustifiable or unreasonable import restrictions and other policies burdening or discriminating against U.S. exports.

The gentleman from California (Mr. TEAGUE) just a few moments ago engaged in a colloquy with the gentleman from Illinois (Mr. COLLIER) about the trouble and difficulty that we were having with the Japanese in exporting oranges or citrus fruit to that market. Certainly this bill will be a help to that situation.

Modern marketing and international trade require negotiating. It is impossible to fix a statute to have an ironclad rule or to bring it to Congress each time we have to have an improvement or change. So it is necessary, despite the natural tendency against giving additional authority to the chief executive, that we in this modern day give what authority is necessary to provide that our negotiators will not have to sit at the table with their arms folded and be able to say nothing or do nothing except bring back to their superiors in this country what is proposed, and then take it back.

We must provide our negotiators, who will be the President's trade representatives at these conferences, what is in plain, unadulterated English, horse-swapping authority, because in reality that is what we are going to wind up doing—swapping. We will give them a little of what we have for a little of what they have, provided what they have is what we want, and provided what we have is what they would like.

In that connection, I think I could say to the gentleman from Minnesota (Mr. ZWACH) who engaged the distinguished ranking minority member in colloquy a moment ago about his reservations on the bill, to begin with he realizes, as all of us do, that if we are going to put the agricultural commodities of Minnesota and Georgia into world markets, we have got to provide the trading delegates, our trading representatives from this Nation, with authority to trade.

I was glad to hear him make the comment that he made in response to the gentleman from Pennsylvania. However, the President taking this action against a discriminating country must give prior notice to the public of the foreign action and the products against which he intends to retaliate and hold hearings to receive the views of all interested parties before exercising this authority.

Procedures for obtaining relief under the Antidumping Act and the countervailing duty laws are greatly improved under H.R. 10710. For example, time limits are imposed on dumping investigations and the Secretary of the Treasury's determination in countervailing duty cases. Moreover, the bill provides that negative determinations by the Secretary in countervailing cases will be subject to judicial review.

Because the export subsidies will be the subject of redefinition in the upcoming trade negotiations, and for other reasons the bill provides that for a period of 4 years discretion can be used in the imposition of countervailing duties when the Secretary of the Treasury finds that such action would seriously jeopardize the negotiations. However, it is clearly understood that the Congress intends that the Secretary is to enforce the countervailing duty law during these 4 years as firmly and as promptly as possible.

Mr. Chairman, in addition to laying a sound foundation for the pending United States trade negotiations, this bill provides the responsible and fully adequate safeguards necessary to ensure the United States fair treatment in world trade.

For this reason, Mr. Chairman, I urge my colleagues to support this legislation.

Mr. Chairman, I should also like to state my support for this bill with emphasis on the great improvement the bill makes regarding relief available to those industries and workers seriously injured by import competition. Under present law programs designed to provide import relief and adjustment assistance for workers and firms have too often proven to be cumbersome, untimely, inadequate, and, worst of all, unavailable. A principal objective of this bill, H.R. 10710, is to correct this unfortunate situation. The bill revises the criteria for determination as to what constitutes injury for purposes of import relief and adjustment assistance.

For example, under present law it must be shown that the increased imports causing the injury are the result in major part of the concessions granted under trade agreements and that these imports must be the major cause of the injury, but this bill requires only that imports be a substantial cause of the injury.

Secondly, the bill directs the President to consider the use of adjustment assistance in all cases involving import injury. It establishes a preference for priority lists for the President to follow in determining what type of import relief he should impose, and he must explain to the Congress why he is not taking action or is acting contrary to the priorities of action established by the bill.

Finally, the bill would greatly improve the benefits that may be paid to import impacted workers and firms. Maximum weekly payments to workers have been increased from $111 to $170 and for the first time an expense-paid job search program is provided.

In order to enhance future adjustment of domestic producers to greater competitive abilities, technical and financial assistance is to be made available for import-affected firms which do not have access to the capital market.

In short, Mr. Chairman, this bill is responsive to the need of reassuring our domestic industries and workers that

they can obtain relief when injuries from imports compel it.

This bill deserves the full support of Congress.

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

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

Mr. ZWACH. Mr. Chairman, I thank the gentleman for yielding. I am thinking now especially of injured workers or people laid off. I have a dairyman in my congressional district. I have about 6,000 workers who have been driven out of work by dairy imports. Will this dairyman and his workers, and say he has 3 or 4 or 5 workers, qualify for benefits under this bill, for the 52 payments for the dairy farmer and his employees?

Mr. LANDRUM. I would say to the gentleman I do not mean to convey the idea or to try to convey the idea that the bill will prevent that. I just say the bill does set up the machinery for assisting those who may be affected by such a condition. I am not convinced that it is a total panacea, and that it will do all it should do, but I am convinced that it makes an effort in that direction.

Mr. ZWACH. I thank the gentleman.

Mr. SCHNEEBELI. Mr. Chairman, I yield 11 minutes to the gentleman from Colorado (Mr. BROTZMAN).

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

Mr. BROTZMAN. Mr. Chairman, I would like to join those who were laudatory of our acting chairman, the gentleman from Oregon (Mr. ULLMAN) and also the ranking Republican on the committee, the gentleman from Pennsylvania (Mr. SCHNEEBELI) for their dedicated and continuing leadership which they afforded us as we considered this controversial and complex series of issues.

This is the first opportunity I have had on the committee to work on a trade bill or a piece of trade legislation. I can tell the other members of this committee that it takes a great deal of time and effort. The Members would be amazed at the thoroughness and the minutia that this group of members on the Ways and Means Committee covers to bring a bill of this type and magnitude to the floor for our consideration.

Mr. Chairman, the vote of the House on H.R. 10710 will have much to do with the course of world trading relationships for many years to come.

Although the relative economic position of the United States has declined in recent years, and had a trade deficit last year for the first time since 1893. Our practices and policies still have tremendous influence over directions the world takes. If we assume a positive and constructive stance, our leadership can show the way toward a new era of profitable exchange, for us and for our trading partners. If we act negatively, this also will show the way, but toward chaos.

Representatives of the free world nations have just begun to weave the fabric for a new round of trade talks in Geneva which can be of benefit to all. Without the basic authority in the bill before us, our negotiators would be handcuffed, and the threads of negotiation would unravel. In fact the United States has been without trade agreement legislation since the expiration in 1967 of authority under the Trade Expansion Act of 1962.

Mr. Chairman, I simply do not believe we can afford to let this happen. The United States remains the free world's trade leader and in a breakdown of negotiations we have the most to lose. This is not simply an interesting discussion of international relationship—it relates to jobs and money. It relates to the stability of the America dollar. It relates to the ability of this Congress to act in behalf of the American people.

H.R. 10710 is both symbolic and substantive. It includes many important provisions designed to meet head-on the new problems which confront us today and in the foreseeable future. World War I—Smoot-Hawley served us poorly; World War II—good job in building up Europe—maybe too good—built strong Europe: dollars and technology. Changes developed that limited our positions and preferences.

Not to detract from the prominence accorded other provisions of the bill, but I think those dealing with nontariff trade barriers—or NTB's as they are commonly called—may well be the most important to us in the long run. Anything other than a tariff which has restrictive effect on imports or trade.

Until recent years, NTB's were not considered of first-rank significance by the major trading nations. But as tariff rates generally were reduced by substantial margins, largely through the Kennedy round, other trade barriers assumed greater relative importance.

In 1962, the Congress expressed concern that barriers other than tariff were nullifying rights which the United States had obtained through trade agreements, and we included in the Trade Expansion Act that year a provision for action by the President against unfair or discriminatory foreign import practices. There has been little or no action under this provision, however, and many of the problems have in the meantime become institutionalized, making it all the more difficult for our country to export.

Congressional concern about NTB's was expressed again in committee reports on the Trade Act of 1970, but this legislation never became law and did not, in the first place, include statutory language to deal with nontariff barriers.

H.R. 10710 is, therefore, the first piece of legislation we have had which really comes to grips with the problem. It gives the executive branch authority to enter into agreements for the reduction or elimination of NTB's on a basis of mutuality, subject to veto by either House of the Congress.

Given the heterogeneous nature of nontariff barriers, and the fact that they involve a wide variety of domestic laws, no single negotiating approach would appear to be practical; hence, the broad but carefully circumscribed authority of this bill. NTB's—ways to convert them into tariffs—gets them up on the table where we can deal with them.

Because the provisions of H.R. 10710 which relate to NTB's are entirely new, and because of the increasingly important role they are playing in trade negotiations, I thought it might be helpful if I took just a few minutes to share some of the information on nontariff barriers which was prsented to the Ways and Means Committee during its deliberations on this bill.

Much of the material available to us came out of work within the General Agreement on Tariffs and Trade, or GATT as it is popularly known.

GATT units have been attempting to deal with the problem since the end of the Kennedy round. Not the least of their difficulties lies in the understandable fact that countries often refuse to recognize their practices as barriers to trade. What one government calls an NTB may be what another government views as a legitimate device necessary to the well-being of its citizens.

Numerous complaints about NTB's among and between member countries of GATT have poured in to the organization's headquarters at Geneva, and some 200 of these NTB notifications have been inventoried and separated into 27 different categories.

To cut this unwieldy inventory down to manageable size for our committee's purposes, an illustrative summary was prepared. But even this very abbreviated version consumer nearly 100 pages in print—which demonstrates rather graphically the sheer dimensions of the problem.

Some NTB's in the inventory, such as quotas, restrict imports directly and are easily recognizable. Others, such as government procurement policies and product standards, fall into grayer areas and are more difficult to sort out and define. Still others, such as health and safety laws, were instituted in many cases for social reasons only. Then there are such hotly disputed items as variable levies—CAP—and border taxes—VAT—which add to the prices of imports at points of entry. Also highly controversial are subsidies on exports, which give an advantage to the products of the exporting country. CAP—variable levy appendix to price of U.S. agricultural products to make them higher than the European price; VAT—export subsidy, border tax on imports.

Although many of GATT's 80 member countries employ the same general categories of NTB's, the way in which they are applied varies widely from country to country.

The following practices, for example, have been listed as nontariff barriers used by Japan:

Under the heading of government procurement, Japan purchases electronic computers and peripheral equipment solely from domestic sources, if available. And all tobacco products are purchased by the Japan Monopoly Corp.

Under the heading of product standards, Japan requires complex inspection procedures for new automobiles, which has the practical effect of suspending sales of imports during peak buying seasons.

Also as a deterrent to imported automobiles, especially those from the United States, are vehicle taxes which increase

according to cylinder capacity and wheel base.

Japan imposes import quotas on a number of commodities, including fresh oranges, citrus and tomato juices, aircraft engines and parts, some types of computers, roasted peanuts and coal—all of which are items which the United States presumably would like to export in greater quantities.

Aircraft parts, incidentally, are subject to licensing requirements as well as quotas.

Additionally, Japan imposes a progressive tax on whisky, which is a de facto discrimination against high-priced imports, such as American bourbon.

Charged against France, to cite another example, are: Quotas on a wide variety of agricultural products, many of particular interest to the United States, such as canned pineapples, vinegar, tobacco and certain alcoholic beverages; a use-tax system on automobiles which puts standard U.S. models in the highest tax bracket; monopoly control and price fixing in pharmaceutical products; preference in government purchasing to domestic items first and items from other Common Market countries second; and state trading in tobacco, explosives, matches, alcoholic beverages, fishing gear, coal, petroleum, and additional goods.

France also applies other nontariff barriers which are listed separately for the European Economic Community, and which are even more extensive.

There is an extensive list of NTBs in the GATT inventory charged to the United States.

The U.S. list includes, of course, the celebrated American Selling Price—ASP—system of valuation, under which benzenoid chemicals, some rubber footwear, canned clams and certain wool knit gloves from abroad are assessed duties based on the value of the competitive American product rather than on the value of the imported article. ASP—use price of American equivalent.

Also listed are our domestic international sales corporations—or DISC's—which are provided limited tax benefits designed to stimulate exports. These benefits are seen as subsidies by some of our trading partners.

Another item on the list is our "buy American" policy. A number of nations have such policies, but ours, unfortunately, happens to be more visible than most, and, therefore, has been subject to a great deal of adverse criticism.

Additional NTB's on the U.S. list involve quotas on agriculture items, such as sugar and various dairy products; export restraints, such as the long-term cotton textile agreement; our oil licensing system; a multitude of product standard requirements, such as our motor vehicle safety and food and drug laws, plus aspects of our countervailing duty and antidumping statutes.

In order to find potential solutions to the charges and countercharges on nontariff barriers, in 1970 5 GATT working parties were assigned the task of examining each of the 27 categories and developing proposals which might be acceptable to the affected parties. Instead of diluting their efforts over the entire field, the GATT units started off by concentrating on a few selected groups. Product standards, import licensing, and customs valuation were chosen for priority attention.

Over the past 3 years, progress in these areas has been encouraging, and a draft code in at least one category, product standards, already has been written.

It is anticipated that work will continue not only on the projects underway, but in all other categories, during the coming multilateral trade negotiations. And in specific preparation for this round of bargaining, the GATT Committee on Trade in Industrial Products is drawing-up a list of items which the various delegations have indicated they want to consider as soon as possible.

Mr. Chairman, the stage is set for hard and potentially fruitful negotiations on nontariff barriers and on all other aspects of world trade—with one major exception. Our negotiators do not have the authority they need, and until they do, our trading partners have made it clear they will not sit down for substantive talks.

In light of these developments, and the enormous stake which the United States has in the outcome, I think it behooves the House to act promptly and affirmatively on the bill before us.

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume, to the gentleman from Massachusetts (Mr. BURKE).

(Mr. BURKE of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. BURKE of Massachusetts. Mr. Chairman, I rise today to urge defeat of the so-called Trade Reform Act of 1973. As I have said so many times over the past months, this bill would encourage the President to take almost any action he chooses to encourage manufactured imports and will, if passed, lead to the erosion of America's industries, America's skills and jobs, and further inflationary pressures from poorly managed trade policies. The import relief section of the bill is a sham by failing to provide effective or realistic measures to help American industries, firms, and workers threatened with further import injury. What is being asked of us today is to sanction the establishment of the President as a foreign trade czar. The transfer of congressional power which would occur under this bill constitutes an abdication of congressional authority and interest in the foreign trade area.

DETERIORATION OF U.S. TRADING POSITION IN RECENT YEARS

In the little more than 6 years since the conclusion of trade negotiations, the world trade picture for the United States has changed dramatically. In retrospect, the rosy conditions which favored passage of the Trade Expansion Act of 1962, brimming with optimism about what the future held in store for world trade, we now know were beginning to evaporate before the agreements even got underway in Geneva in 1965. Certainly, by the time our negotiators were finished reducing tariffs an average of 35 percent, the conditions under which such concessions were authorized had already ceased to exist.

Perhaps, such largesse, magnanimity, altruism, or what have you, made sense coming from a nation which possessed what appeared to be enormous and endless trade advantages. In the years following World War II, America's economic and industrial strength compared to a Europe ravaged by war and particularly over her two vanished competitors, Japan and Germany, was all too painfully obvious and produced embarrassing balance-of-payments surpluses, which were not to anyone's advantage if perpetuated indefinitely.

In more recent years, however, we have witnessed one significant turn of events after another, each whittling away at these seemingly insurmountable trading advantages: The success and expansion of the European Economic Community, dedicated to freer trade between member nations, but behind restrictive tariff and nontariff barriers discouraging market penetration from without; growing emulation of this practice in other areas such as Central and South America and Africa, with obvious implications for future accessibility of those markets to U.S. exports; the reemergence of both Japan and Germany as major world economic powers, together with a new interest on the part of the Soviet Socialist bloc in world trade after years of preoccupation with internal commerce; and the growing energy shortages faced by most industrialized countries. None of these developments occurred overnight. All were a long time in the making. It is just that their full significance has not been apparent until recently. Certainly their significance was not apparent to those who pushed for the Trade Expansion Act of 1962, or were in charge of our negotiations in Geneva under that act.

Anyone seeking evidence of the significance of these developments, one need only refer to the accumulation of adverse international trade and monetary news for the United States in recent years: The inability of the United States to register a back-to-back trade surplus since September of 1971, but rather, our balance of trade has been in the red 21 months out of the past 23; in 1972 this Nation experienced a trade deficit of $6.34 billion, with one having to go back to the 19th century for another deficit year, and probably to the very beginnings of the Republic for a worse trading performance; the deficit in trade for this year, through August, while not as bad as last year, is still a red figure and a sizable one of $1.5 billion—an interesting example of how a poor performance can be welcome when one becomes psychologically conditioned to expecting the worst—as would be expected with a deteriorating trade performance such as this, a series of deficit figures in our overall balance-of-payments position has plagued us since the fourth quarter of 1969; two devaluations of the dollar, with a third unofficial depreciation, in little more than a year, with corresponding revaluations in the currencies of our two major trade competitors; and last, but

not least significantly, a number of uncoordinated Government actions in the form of import surcharges, export controls of one kind or another, and suspension of gold convertibility at the same time as a stop-and-go domestic policy of wage and price controls and rising interest rates is pursued in a manner which makes business and even household planning next to impossible.

Difficult as all of this has been, one could perhaps adjust to it and even accept continuation of the present trade policies, if these developments could be shown to be cyclical in nature. We could wait for the inevitable upswing and a better turn of events with resignation on the theory that the overall trend is for the better and fuure gains will more than cancel out past difficulties and losses. However, when the trend seems to be steadily moving in one direction over an extended period of time, and against us at that, then it would appear that a reexamination of existing trade policies and practices is not only appropriate but essential for any nation whose prosperity is of concern to its leaders. In other words, there comes a time when sitting a crisis out, or riding out a storm, can make an already serious situation worse and rather than contributing to one's chances of survival can be a recipe for certain disaster.

EFFECT OF PRESENT TRADE POLICIES ON U.S. TRADING POSITION

What are the results of the continued pursuit of our present policies in the face of a serious deterioration in this Nation's trading position? At a time when the Secretary of Commerce admits this country is lacking sufficient reinvestment in plant modification and improvements as well as the research and development necessary to remain competitive with our trading partners the only way we can—through greater capital intensification, requiring even more efficient deployment of this scarce and vital commodity—our present policies encourage billions of dollars a year to be exported or reinvested overseas in foreign plant expansion.

At a time when every energy expert worth the name is estimating the energy requirements of this Nation have no where to go but up and that we will become even more dependent on foreign energy sources, our present trade policies permit the indiscriminate import of essential goods with nonessential goods—goods which are in scarce supply at home, with goods that could be manufactured in unlimited supply here at home in factories which are presently closed and by workers who are currently unemployed beneath the onslaught of slightly less expensive foreign imports. At a time when the American consumer is faced with empty shelves in the supermarket and sky-rocketing prices for the basics of life such as beef, bread, butter, milk and cheese, our trade policies encourage the export of these very products at subsidized prices in order to off-set the avalanche of imports of luxury and nonessential items, goods in any event which could be manufactured here at home, putting people to work in the process.

At a time when potential home buyers are being turned down at the banks for mortgages or gouged with higher and higher interest rates, the Federal Reserve Board justifies such a deliberately contrived scarcity of money on the grounds that it must make it attractive for investors to keep funds here lest money move overseas attracted by the high interest rates available there. After having dismantled tariff barriers almost unilaterally, we are faced with increasing trade barriers of a non-tariff nature for our goods and services and a get-tough attitude on the part of some of our trading partners, illustrating once and for all that this nation is the only major economy where the government lacks a coordinated trade policy and both the ability and determination to push for whatever advantages are available in the world market.

As far as the concept of free trade is concerned, I think the energy crisis has clearly brought out that it does not exist when we are treated to the spectacle of Nation's automatically shutting-off critically needed oil supplies. And what about our oil import policy? There is no provision in this bill that allows for the fair and equitable allocation of imported oil.

H.R. 10710 AVOIDS DEFINING NEW TRADE POLICY

At a very minimum, conditions such as these cry out for reexamination. While there may be disagreement on an alternative trade policy, I fail to see how anyone can disagree that the present trade policies pursued by this Nation are out of date and need thorough revision. Considered in the light of this awesome challenge, H.R. 10710, the administration's trade bill with very few modifications, can only come as a deep disappointment.

One will search this legislation in vain for a clear indication of anything approaching a new direction for our foreign trade policy. Worse still, one will search in vain to determine exactly what our foreign trade policy will be, if this legislation should pass.

I know there are those who will say at this point that a careful reading of the administration's proposal, H.R. 10710 would indicate the President can, should he decide, raise or lower tariffs in response to a similar effort by our trading partners; or impose quota restrictions on imports, or remove them, in response to similar actions by our trading partners; or negotiate removal of nontariff barriers subject only to the expressed disapproval of Congress within a certain period—even then, nontariff barriers could be converted to equivalent tariffs, whatever that may be, and negotiated by the President without this restraint—or he could do any of these things without corresponding responses or reactions by our trading partners. The list could go on and on.

In short, there is little a President who wished to be a "tough" negotiator could not do under this bill. I should be very pleased with this prospect, or so it is argued.

On the contrary, this prospect, this possibility—and that is all it is the way this bill is written—fails to satisfy me and I fail to see how it could satisfy anyone else. The fact is I am quite familiar with the chameleon qualities of this bill which is capable of as many interpretations as there are colors in the rainbow and whose shades of meaning are derived from the light in which the bill is viewed or the background with which a particular reader approaches the bill. In truth, the whole appeal of this legislation is centered on this very quality of "something for everyone," regardless of one's views on trade. Its essentially blank check nature is not only hard to resist but hard to predict.

Under this bill, the President will be able to do virtually everything or nothing as far as foreign trade is concerned. However, in my opinion, such wide scale permissiveness is no substitute for clearly defined policies, nor does such obvious license make for good legislation.

PROSPECT OF MORE OF THE SAME

As a matter of fact, my own interpretation, and that is all one can go on with this legislation, is that in all likelihood the President will do little differently from the way he is doing it now. I listened in vain to administration witness after administration witness, hoping that someone might slip and reveal a new way of looking at things that might accompany the changes in the letters of the law—which can be read anyway one wants to—in other words what the true spirit of the law was. The administration's position, as developed over the past few months before this committee, makes it likely that imports will continue to flood our markets without the slightest thought being given to establishing priorities about what we as a nation need to import and can afford to import. In terms of the dislocation visited upon American industries and workers by foreign imports, the emphasis still continues to be on alleviating the consequences rather than preventing the problem in the first place.

And while over 1 million jobs were lost permanently since 1965 as a result of the trade policies of this Nation, during the next 5 years, another 1 to 2 million more jobs could be permanently lost under the provisions of this bill. Which brings us to another important point, the adjustment assistance provisions in this bill are a cruel hoax and a joke and are practically meaningless. There is no provision in this legislation to deal with the acceleration of unemployment or the Federal responses that resulted in unemployment.

The present policies, or more correctly the lack of a policy toward foreign investment, will clearly continue to be the order of the day and foreign investment will continue to be encouraged by our suposedly neutral present tax laws. One will search in vain through all the many sections and titles of this bill to find so much as a single comma or period of our present tax policies, which in effect subsidize these foreign investments, changed. So much for that much discussed tax reform, at least where the multinationals are concerned.

Thus, after many months of sessions, I am convinced this bill completely fails

to meet the challenge of the times for creative response and instead opts for a continuation of more of the same. It is a deceptive vehicle for nothing more than a rehash or retread of present attitudes and practices, present institutions and present personnel. However smartly packaged, beneath all the camouflage H.R. 10710 simply reheats and reserves the trade philosophy pursued by this Government with such unfortunate results for the past decade.

But, as I say, this is an individual interpretation. Someone with a totally different approach to trade could probably, with reason, conclude that events could change and the administration's attitudes with it. Under this legislation, there would be no need, in such an event, for the President to reapproach Congress for a new trade policy. There is ample room for the administration to change its spots several times under this legislation.

BLANK CHECK IN FOREIGN TRADE TO PRESIDENT

Practically every other section of this bill begins by stating, "Whenever the President determines * * * the President is authorized * * *." Whatever the reasons, and they are numerous, whether because of inflation or balance of payments, whether because of actions taken by foreign trading partners, or just to exact as good a bargain as he desires, the President will be authorized under this legislation to take a wide range of important actions, such as imposing temporary import surcharges; imposing quotas; raising, reducing, or suspending duties; increasing the value or the quantity of articles which may be imported; and last, but by no means least, to remove nontariff barriers. There is even permission for him to act on grounds of national security in this area.

There is no question that this bill would make the President of the United States the foreign trade czar of this Nation. While it is conceivable that there would be times when I might agree with his actions, it is also certain that there would be many times when I would disagree. But, agree or disagree, there would be little Congress could do, having voted in this bill to give the President of the United States a free hand to conduct this Nation's foreign trade as he determines best over the next 5 years. Considered separately, the granting of authority to make any one of the decisions referred to above would correctly be interpreted as a transfer of congressional power to the President, authorizing him to make decisions which the Constitution specifically provides Congress shall make; taken altogether this massive delegation of authority to the President constitutes a virtual abdication of congressional authority and interest in the foreign trade area.

CONSTITUTIONAL QUESTIONS

In my opinion, the Founding Fathers clearly and carefully assessed the importance of the power to levy duties and in other ways to regulate foreign commerce. Not only was the regulation of foreign commerce entrusted to the exclusive jurisdiction of the Federal Government, but specifically to the elected representatives of the people and the States in Congress assembled, in article I, section 8:

> Congress shall have power to lay and collect Duties, Imposts and Excises . . . to regulate Commerce with foreign Nations.

If regulation of foreign trade was of crucial importance to our Founding Fathers as a past source of conflict and chaos among the individual States, as well as a potential source of needed revenues for the Federal Government, of how much more greater concern should the conduct of foreign trade be to a Congress today? Not only is foreign trade inextricably wound up with the conduct of this Nation's foreign policy but it is crucial to the Nation's whole domestic economic policy, both monetary and fiscal, as well as its full employment policy.

REVERSES RECENT TREND TOWARD REASSERTION OF CONGRESSIONAL AUTHORITY

In the recent past we have heard about a reassertion of eroded congressional authority in two important areas. Last October this Congress, wisely I think, declined in the end to legslate an abdication of its authority in the spending area and refused to give the President authority to cut back spending as he thought best in order to keep total spending within a ceiling, even though there was little disagreement about the desirability of the ceiling itself. It was just that he who determines spending, determines the national priorities. Much was made then of the centrality of the power of the purse to the very power of Congress itself. In my dissenting views to H.R. 16810, I remember referring to any transfer of Congress' power of the purse to the President as a "domestic Gulf of Tonkin resolution." The parallel development of both anti-impoundment and budget control legislation this session is evidence of a renewed determination of Congress to recapture its authority in this vital area.

To mention the Gulf of Tonkin is to mention the most flagrant example of congressional abdication of authority, in ths instance, Congress exclusive power to declare war. Anyone who has been in this body the last 10 years knows firsthand the tremendous effort it took to gradually regain some semblance of congressional authority in this area, culminating as it did only with the decision to end the bombing of Cambodia on August 15 of this year.

How this same Congress a few weeks later can even contemplate abdicating authority in the foreign trade area is beyond my comprehension. To allow the President—and in effect faceless bureaucrats downtown, answerable to no one—authority to make the vital decisions over the next 5 years in foreign trade is for Congress to bow out of one of the most important areas of decisionmaking in the government today. History—and not ancient, but very recent history—if it has taught this Congress anything it is that power lost today in the name of greater ease of decisionmaking and flexibility for negotiators, is power hard to regain tomorrow in the name of constitutonal prerogatives.

NO REAL SAFEGUARDS AGAINST ABUSE

To those who argue that the bill contains meaningful safeguards which substantially circumscribe this granting of authority to the President, especially the provision for what has been termed "congressional veto power" indicates the extent to which constitutional arrangements have been turned upside down of late. After all, the Constitution gives the President veto power over actions of Congress, not the other way around. The distinction is important. In my opinion, the Founding Fathers intended Congress to make the policy decisions in this area, if not to legislate the specifics. Unlike treaties, this was not just to be a matter of advice and consent in response to presidential initiatives, but a matter of original jurisdiction in the Congress. As such it was to be a central feature of congressional power and, by the same token, crucial to the whole theory of checks and balances and separation of powers which guided the drafting of our Constitution.

Now we all know that life today is more complicated than it was in the days of our Founding Fathers. Certainly relations with foreign governments are no exception. Doubtlessly matters requiring detailed negotiations with foreign governments, as trade policies do today, necessitate the day-to-day participation of executive department personnel. Furthermore, it has never been anything but difficult since the beginning of time for governments to resolve conflicting demands between the dual needs of determining national foreign policy objectives and providing negotiators with sufficient flexibility to negotiate the best possible arrangements with foreign governments. Granted these conficting demands make it extremely difficult to legislate in the foreign trade area. However, I do not think we acquit ourselves with any great distinction when we avoid drafting necessarily difficult and complicated legislation and simply give the executive department authority to make the tough decisions in this area. In my opinion, these decisions are important enough to be either made directly or clearly charted by the legislative branch of the Government. But instead of wrestling with the problem of providing sufficiently clear guidelines for our negotiators in the very important international conferences scheduled for the near future we have left it for the President to do.

CONGRESS IS SILENT ON FUTURE DIRECTION OF U.S. TRADE

Thus, any forthcoming negotiations will be carried on without any clear direction coming from Congress. Any and all direction will have to come from the President. Instead of being called the Trade Reform Act of 1973, it should be labeled, the Trade Power Transfer Act. Policies are not even delineated, much less reformed in this act; rather the President's policies, alternatives and choices have simply been multiplied. While it might be difficult to draw a clear and precise line down the middle between what constitutes too much freedom or too little flexibility for trade neigotiators, one does have a visceral reaction that this bill is nowhere near a prudent cen-

terline or middleground, but errs in the direction of too much freedom. The net result should be obvious to everyone: the President will be free to act in an area of major national concern while Congress continues to slumber.

The argument is often made that the President's trade negotiators will have to be able to earn the confidence of their opposite numbers in foreign governments and that when agreements are reached, they can be relied upon. It is further argued that potential congressional interference in these negotiations in the form of a requirement for ultimate congressional approval would make it pointless for foreign negotiators to negotiate with our Government. One almost gets the impression that the legislative bodies of foreign governments have no interest in trade policies. Such is simply not the case. The trade policies of foreign governments are subject to extensive debate and questioning in their parliamentary bodies and in the supranational bodies. Perhaps more significantly, those entrusted with supervising trade negotiations are members of the legislative body and therefore available for questioning both publicly and privately by their colleagues on a regular basis. Obviously our system is different; but to argue that trade must be taken out of the legislative process and left to the exclusive discretion of the administration and its bureaucrats is simply an argument which would be incomprehensible to many of our foreign partners.

WRONG TIME FOR GRANT OF SO MUCH POWER TO PRESIDENT

For anyone who has been in this country the past year or more, let alone anyone who has served during this period in the Congress, to have to be reminded of the dangers of concentrating too much power in any one office should not be necessary. If it was one of the greatest acts of gall for this administration to approach this Congress with a request like this at this particular juncture in history, it would be the greatest act of folly for this Congress to accede to such an extravagant request at this particular juncture in history.

How many times do we have to be taught a lesson to learn a simple truth? This is neither the time nor the place for a trade bill of this nature.

It is with these thoughts in mind that I must urge my colleagues in the House to vote against this legislation today.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. BROYHILL).

(Mr. BROYHILL of Virginia asked and was given permission to revise and extend his remarks.)

Mr. BROYHILL of Virginia. Mr. Chairman, I support H.R. 10710 for two major reasons.

First, the executive branch needs clear and carefully defined authority to enter into agreements for a more equitable exchange of goods in the new round of trade negotiations which will be taking place over the next several years. This bill provides such authority, and if our negotiators do not have it, their capacity to deal effectively will be impaired, with the inevitable result that trading conditions will deteriorate to the ultimate disadvantage of the United States.

Second, the bill includes some provisions which should be helpful to American industries and workers in their uphill fight to cope with imports which have been increasing for years.

This is not to say I am completely pleased with the legislation. I am wary of it, as I would be with any new trade bill, in light of what has happened since enactment of the Trade Expansion Act of 1962, which gave rise to the ill-fated Kennedy round of negotiations.

The horror stories which have been told about the U.S. trading position over these past 12 years are legion, and there simply is not enough time to recount them here today. But the overall track record certainly can stand some reemphasis.

During its deliberations on this legislation, our committee received testimony that from the start of the Kennedy round, until 1971, there was a net worsening in our balance-of-trade deficit, as far as manufactured products are concerned of about $9 billion. That represents an estimated potential loss of more than 150,000 jobs, not to mention the damage to our economy generally.

And in 1971 and 1972, our gross merchandise trade balance—the dollar volume difference between imports and exports—showed successive deficits of approximately $2 billion and $6.4 billion.

It is true that the picture has brightened this year, with monthly surpluses developing in April, July, September, and October and with relatively low deficits occurring in other months. But it also is true that these figures reflect a double devaluation of the dollar in the past 23 months, along with rising prices and demand, worldwide. The dollar volume of our exports has increased, but our share of foreign markets has not gone up dramatically. All of which certainly takes some of the bloom off the recent trade balance rose.

We remain in a precarious trade position, and if H.R. 10710 had been tailored to my tastes, it would have taken a more vigorous stance with respect to surging imports. They run virtually the whole gamut of product lines, they are produced at costs so low there is no way our domestic enterprises can match them, and they often are subsidized by their governments in one way or another. I am concerned not only about their gross impact on the U.S. economy, but about their particular effect on key industries. We simply cannot afford to let vital production facilities go out of business and consequently to become too reliant on foreign supplies. We should have learned some lessons in that regard in recent times.

But I am a realist. I recognize that H.R. 10710 represents a necessary compromise, and that it does go much further than present law toward the goals I seek. It contains provisions making it easier for American firms and workers to obtain relief before they have been displaced, and strengthening our capacity to deal with proliferating unfair trade practices in which other countries engage. These are the portions of the bill to which the remainder of my remarks will be directed.

H.R. 10710 would make several important improvements in the so-called escape clause, which has been a part of our trade law for two decades but which was weakened markedly in the 1962 act.

The escape clause provides a mechanism whereby domestic industries may seek relief from increased import competition. The Tariff Commission is required to investigate such cases and to determine whether the increased imports have seriously injured, or threaten to injure, the petitioning enterprise.

Under current provisions, the Commission is required additionally to determine whether the increased imports have resulted from concessions which the United States has granted pursuant to trade agreements. H.R. 10710 would eliminate this requirement. The Commission no longer would have to find a causal link between the imports and a trade concession in order to reach an affirmative decision.

Also under existing law, the Commission must determine whether increased imports are a major cause of injury to a petitioning industry. The word "major" has been interpreted to mean "greater than all others combined." In quantitative terms, this has meant that the Tariff Commission, in order to reach an affirmative decision in an escape clause case, has had to find that increased imports were at least 51 percent responsible for the injury suffered by the industry.

The administration proposed substituting the word "primary" for "major." This would have required a finding that increased imports were more responsible than any other single factor for an industry's difficulties. But the committee decided to substitute the word "substantial", which I believe is much preferable.

"Substantial cause" is defined in the bill as one which is important, and not less important than any other. This means the Tariff Commission could reach an affirmative decision if increased imports were found to be the greatest single factor, or if it were found to be one of two or more equally rated factors greater than than any others.

Under the escape clause provisions of the 1962 act, a clear majority of the tariff Commissioners have been able to reach an affirmative decision in only 3 out of 28 cases presented to them. It has been obvious that the "causal link" and "major cause" criteria were very formidable obstacles to any home enterprise seeking import relief.

I think it would be safe to assume that under the criteria of H.R. 10710, a number of industries which have suffered severe injury would be able to obtain the relief which they could not get under present law.

In another change from present law, H.R. 10710 would require that the President take into account a number of economic factors in determining whether to provide import relief following an affirmative decision by the Tariff Commission. These factors include the efforts

which the industry is making on its own to meet foreign competition, the position of the industry in the economy, the potential effect of import relief on consumers and on our international economic interests, geographic concentration of imports in the domestic market, and the economic and social costs which would be incurred by taxpayers, communities, and workers if import relief were not provided.

Additionally, the President would have to determine whether to provide import relief within 60 days after receiving from the Tariff Commission an affirmative decision, or an evenly divided decision which may be considered an affirmative finding.

If the President felt he needed more information, he could request it from the Commission within 45 days after receiving an affirmative finding, and the Commission would have no more than 60 days in which to file its supplemental report.

A fourth change in the escape clause procedure is one with which I disagreed in committee, but which I recognized as necessary to the compromise that was reached on the bill.

Under this change, after the President had received an affirmative finding and had decided to take some action, he would in all cases be required to consider the provision of adjustment assistance. If he chose to provide import relief, he would have to proceed according to priorities established in the bill.

First on the priority list would be tariff adjustment. Second would be a tariff-rate quota, which is a system by which a tariff is either imposed or increased on imports above a specified quantitative level. Third would be quotas, and fourth would be orderly marketing agreements, under which foreign producers limit voluntarily their exports to the United States. Any of the measures could be used in combination.

H.R. 10710 would require the President to explain his decisions with respect to affirmative findings. If he decided to take no action, if he chose any form of import relief over adjustment assistance, or if he failed to follow the order of priorities, he would have to submit a report to Congress stating his reasons. And, if he selected either quotas or orderly marketing agreements, that decision would be subject to the 90-day congressional veto procedure already described.

A fifth change, which H.R. 10710 would make in the escape clause provisions, would permit the President to suspend temporarily the application of items 806.30 and 807 of the Tariff Schedules. These items provide special tariff treatment to U.S. products which are reimported after processing or assembly abroad. However, this suspension could be imposed only if the Tariff Commission determined that the serious injury, or threat thereof, to the domestic industry resulted directly from application of those items.

Other changes deal with the duration of import relief, and on mandatory phasing out of such relief. Whatever the import relief, it would have to be proclaimed no later than 15 days after the President made his determination. A 180-day limit would be placed on the imposition of orderly marketing agreements. Import relief could continue for 5 years, with one 2-year extension permitted. But if it lasted longer than 3 years, it would have to be phased down, to the extent feasible.

As under present law, adequate provision would be made for public hearings in connection with escape clause proceedings, and no import relief would be provided without affected parties being given a chance to be heard on the matter.

With respect to relief from unfair trade practices by other countries, H.R. 10710 would make noteworthy changes with respect to the antidumping and countervailing duty statutes and the President's other authority to act against export subsidies and foreign import restrictions.

In antidumping cases, the Secretary would be required to determine within 6 months, or within 9 months in exceptionally complicated investigations, whether there were reason to believe, or suspect, that the purchase price or the exporter's sales price of the imported merchandise were less—or were likely to be less—than either the foreign market value or its equivalent.

If the Secretary found in the affirmative, he would have to publish a notice to the effect in the Federal Register and require the withholding of appraisement of the merchandise in question. In no case could the effective date of withholding be earlier than 120 days prior to the time the question of dumping was raised or presented to him.

If there were a negative finding, or if the Secretary decided to discontinue investigations, he would have to publish a notice to that effect also. But if he determined within the next 3 months that dumping had, indeed, been involved, he then could order the withholding of appraisement.

H.R. 10710 also would impose a time limit on the Treasury Secretary in countervailing duty cases. Under present law, the Secretary is required to determine whether a foreign country has provided a bounty or grant on its exports to the United States, but he faces no deadline in this regard. The bill would give him 1 year.

The measure would, for the first time, make duty-free imports subject to countervailing action, but only if it were found that such imports were causing injury to a domestic industry.

In negative decisions by the Secretary, domestic producers would be given the right of judicial review.

H.R. 10710 would make an additional change of importance. Under present law, it is mandatory that countervailing duties, equal to the bounties or grants, be imposed if affirmative findings have been made. But in response to an administration request, the committee bill would give the Secretary a 4-year grace period in which he could refrain from countervailing if he found it would seriously jeopardize trade negotiations, which would be going on during this time.

There is one exception to this discretionary authority, and it is a good one. In cases where subsidized merchandise is produced in plants owned or controlled by the government of a developed country, the Secretary would have only one year in which to refrain from countervailing.

H.R. 10710 also revises and expands the President's authority to retaliate against foreign countries which maintain unjustifiable or unreasonable import restrictions or other policies which have the effect of burdening, restricting, or discriminating against U.S. exports. The President would, in such cases, be empowered to suspend or otherwise limit the benefits of any trade agreements or to impose duties or other import restrictions. In the particular case of a subsidy on exports to the U.S. market, the President could take such action only if he found the antidumping and countervailing duty remedies would be inadequate, if the Treasury Secretary determined that a subsidy or its equivalent actually existed, and if the Tariff Commission found the subsidized imports were substantially reducing sales of competitive domestic products. All of the President's actions under this authority would be subject to the 90-day congressional veto procedure.

Although I personally feel that the limitations placed upon Presidential actions in such cases are in some cases unduly restrictive, and despite my continued disagreement with other changes which I have cited, I still support the bill and urge my colleagues to do the same.

The basic negotiating authority which it provides is urgently needed, and the congressional veto procedure with which the bill is liberally sprinkled assures adequate review of major trade agreement decisions. On balance, H.R. 10710 is a dramatic improvement over existing law.

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

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

Mr. PETTIS. Mr. Chairman, I thank the gentleman for yielding to me at this time.

Mr. Chairman, I would like to take this time to commend the Chairman, the gentleman from Oregon (Mr. ULLMAN) for his leadership in bringing this legislation to the floor today, and the efforts of the ranking minority member, the gentleman from Pennsylvania (Mr. SCHNEEBELI).

Our committee took a long, hard look at the world trade situation and the U.S. piece of the action. I think the Trade Reform Act of 1973, which is before us, is a realistic answer to conditions that exist today and are likely to remain with us through most of this decade.

We have been discussing this bill for a long time. I am sure we are all a little weary, so I will keep my remarks brief and direct them only to title V, the generalized special preference provisions.

I have also made available at the majority and minority desks, detailed fact

sheets on title V and some answers to anticipated questions, which some of you might have.

The major economic reason for instituting a generalized special preference system is to oppose the European Common Market trading block arrangements that threaten to shut out U.S. exports to most of the developing nations in Africa and the Mediterranean.

Common Market nations have built up a spreading network of agreements with less developed countries, or LDC's, whereby these countries receive special preferences from the European Community if they, in turn, grant reciprocal preferences to EEC products.

These "reverse preferences" are effectively making it impossible for U.S. exports to compete in the developing countries.

And, make no mistake, emerging nation are going to become a significant factor in the changing world market.

Looking at the figures, U.S. exports to less developed countries are concentrated in Latin America and amount to $15 billion a year. That's 30 percent of our total export market. What is more, our balance of trade with these nations remains favorable to the United States.

If we are to expand, and break into new LDC markets, we have to stop the trading blocks being built up by the Common Market, and increase the export earnings of less developed countries which can be spent for U.S. goods.

This can only be done through a generalized preference approach.

In order to qualify for special preferences from the United States, the bill requires that a country eliminate its "reverse preference" agreements by January 1, 1976.

The European Community is aware of this condition and would revert to a generalized preference system, similar to ours.

The bill also deals—on a number of levels—with domestic industry competition from imported products.

Some of these provisions are in title V, and would exclude imports of those goods that are directly competitive with American-made products most sensitive to additional competition, such as textiles, footwear, and various steel products, as well as all items which would be covered by the import relief provisions in title II.

Here, let me point out that projections indicate the generalized special preferences would increase our imports of manufactured goods by less than 1 percent. This estimate is based on the latest total figures we have available which show that if generalized preferences had been established in 1971, the overall import increase would have been totaled $218 million for that year.

It is also important to remember that we are talking about developing countries. So these probably would not be sophisticated manufactured goods in the first place. More likely, we are talking about products which U.S. industry has already begun to move away from anyway because of the poor economic and wage returns they represent in our advanced industrial society.

I think those members who are opposing this title would do well to take an objective look at the long-run benefits instead of concentrating on possible short-term problems for "marginal" production operations domestically.

To deter an already developed nation from reaping the benefits of general preferences by using an emerging nation as a conduit for its products, the bill sets up a formula that requires an eligible product to meet certain rules of origin.

At least 35 percent and not more than 50 percent of the total appraised value of an article must be added in the developing country. This includes both the cost of materials and the cost of labor and processing.

The 35-percent minimum limitation is, of course, to safeguard against "pass-through" maneuvering. The 50-percent maximum limit was set to coincide with the "competitive need formula" in title VI. If an industry in a developing nation is responsible for over 50 percent of the production of an item, it is already viable and does not need special preferences to encourage development.

The bill also specifies limits on the amount of any one item from any one country which can enter the United States duty free. These limits are set at $25 million or 50 percent of the U.S. imports of particular item, annually, unless the President determines it is in the national interest to continue duty-free treatment after these limits are reached.

Other factors to be taken into account in determining eligibility for generalized special preferences are whether a potential beneficiary country requests this treatment, its level of economic development, whether it is receiving preferential treatment from other developed countries, and whether it has expropriated U.S.-owned property without compensation.

I have touched mainly on the economic points involved with title V. Now, I would like to finish up, very briefly, on the political and philosophical implications.

Generalized preferences have been of major concern to poorer nations since 1964.

The U.N. Conference on Trade and Development adopted a policy to institute GSP in 1970. To date, the United States alone among the industrialized nations has not met its commitment to provide this type of preference system, despite our agreement to do so.

The already delicate situation of U.S. credability in the world becomes more seriously damaged with every day we delay in keeping this promise.

Mr. Chairman, this Nation has a major stake in trade with the developing countries—both from the aspect of economics and from our need to maintain our good name in the eyes of the world.

I urge my colleagues to vote to keep title V in this legislation. It is vital not only to the developing nations, but more importantly, to the future economy of the United States.

Mr. Chairman, at this time I will place in the RECORD questions and answers regarding title V, the generalized system of preferences. And I might add again that any Member who is interested in a digest of this legislation at this moment can find copies of this at both the majority and the minority tables.

(The material referred to follows:)

H.R. 10710—THE TRADE REFORM BILL

TITLE V—GENERALIZED SYSTEM OF PREFERENCES

Questions and answers

Q. *What are generalized preferences?*

A. It is expected that most manufactured and semimanufactured goods and selected other products (import-sensitive items excepted) from eligible developing countries would be authorized duty-free entry into the United States.

Q. *Why should developing countries receive special treatment?*

A. The United States and the other industrialized countries are committed to assisting the economic development of the poorer countries. By increasing and diversifying their exports, these countries can increasingly pay their own way. Preferential tariff treatment in the industrialized country markets gives a boost to the "infant" industries in the developing countries that have gotten a slow start in manufacturing for the world market.

Q. *What are the other industrialized countries doing in this area?*

A. All major industrialized countries, with the exception of the U.S. and Canada, have implemented generalized systems of tariff preferences for goods from developing countries.

Q. *How will generalized preferences benefit the United States?*

A. *Politically,* by fulfilling a long-standing expectation of the developing countries, enactment of generalized preferences will reaffirm the United States' serious commitment to economic development, bring U.S. policy commitment to economic development, bring U.S. policy into line with the 16 countries that have already implemented GSP, and thus improve the climate of United States relations with the developing countries. This is essential to the United States' dealings with these countries in connection with *energy and other scarce mineral resources.* It is also important to harmonious negotiations with the developing countries in *multilateral trade negotiations,* where we share interests and objectives with them, such as improved access for agricultural products. Moreover, developing countries have resisted pressures to grant preferred treatment to the European Common Market as a part of trading bloc arrangements which would discriminate against non-participants (e.g., the U.S. and Latin America). Their resistance to these pressures would be undermined if the United States did not implement generalized preferences.

Economically, United States exports will benefit from increased export earnings by developing countries. Over 75 percent of these countries' foreign exchange comes from export earnings. Poorer nations, like poorer people, tend to spend all they earn; they do not hoard reserves. The United States is highly competitive (and has an excellent sales record) in the kinds of industrial equipment developing countries need. The United States exports $15 billion a year to developing countries—30 percent of our total exports and $1 billion more than we import from them.

Q. *What developing countries will benefit?*

A. The bill designates 26 countries as developed and not eligible for generalized preferences. Most developing countries are expected to qualify. However, the bill prohibits the extension of generalized preferences to (a) Communist countries not eligible for most-favored-nation treatment and (b) countries that grant "reverse preferences" to other industrialized countries unless they indicate that these reverse preferences will be eliminated by January 1, 1976. In desig-

nating a beneficiary country the bill instructs the President to consider:

Whether the country has expressed a desire to be so designated;

The country's level of economic development;

Whether other industrialized countries extend generalized preferences to the country; and

Whether the country has nationalized property of a United States citizen or corporation without the payment of prompt, adequate and effective compensation.

Q. *Does this mean that former colonies of European countries will be ineligible for U.S. preferences if they continue to grant tariff preferences to the European Community?*

A. Yes, unless they indicate the preference will be eliminated by January 1, 1976. The United States does not seek preferential treatment for its products in any market, and the bill would not allow the granting of preferences to countries that discriminate against United States exports.

Q. *How will product coverage be determined?*

A. Lists of products will be submitted to the Tariff Commission, public hearings will be held, and the President will have advice from the Tariff Commission and other agencies and appropriate sources before designating articles eligible for preferential treatment. The intention is to submit all manufactured and semi-manufactured items except import-sensitive items such as textiles, footwear, watches, certain steel products and goods subject to quantitative restrictions. Some agricultural products would be included, on a case-by-case basis.

Q. *What about developing country products that are already competitive in the United States?*

A. Such products would not receive preferential treatment. On the basis of perfromance in the latest calender year, a single product from a developing country which accounted for either more than half of U.S. imports of that product (this criterion would affect about 150 items) or over $25 million (affecting about 10 additional items) would not be eligible for duty-free treatment, having proven the ability to compete in the United States market without preferences. This "competitive need formula" would reserve preferential treatment for those industries and countries—particularly the least developed—that need it most.

Q. *How can we be sure that the benefits of preferences go to real production in developing countries and not to mere assembly or pass-through operations?*

A. To be eligible for preferences, the goods must be shipped directly from the beneficiary developing country, whose materials and processing must account for at least 35 percent of the appraised value upon entry in the United States. The Secretary of the Treasury may raise this figure to as high as 50 percent if necessary to avoid "pass-through" operations.

Q. *How does the Generalized System of Preferences (GSP) in this bill compare with those the EC and Japan have in effect?*

A. Assuming the product coverage stated above and broad country eligibility within the provisions of the title, the U.S. system would provide roughly comparable "burden sharing" with those of the EC and Japan (rather more in terms of absolute amounts of imports eligible for GSP, slightly less if trade eligible for GSP is calculated as a percentage of dutiable trade with potential beneficiaries or as a percentage of the importing country's GNP, and substantially less in terms of the amount of total duty-free imports from potential beneficiary countries).

Operationally, the following differences exist:

The EC employs a processing rule of origin, i.e., goods qualify as having been produced in a beneficiary country if they have undergone a change in their BTN classification, whereas the U.S. system would employ a straight quantitative rule (minimum 35 percent of appraised value produced in the beneficiary developing country).

The EC employs tariff quotas that revoke preferential treatment for a product (from all sources) when total preferential imports of that product reach a specified level. The U.S. "competitive need" formula, on the other hand, would remove preferences by individual product and country as they achieve competitiveness in the U.S. market.

Q. *How will injury to domestic industries be avoided?*

A. First, import-sensitive items (textiles, shoes, watches, certain steel products) will be excluded from preferences: second, the same safeguard provisions will apply to preferential imports as are provided (in Title II) for all imports; and third, the title provides general authority to suspend or limit preferences with respect to any article or country.

Q. *How much will U.S. imports be increased by generalized preferences?*

A. Assuming the product coverage stated above and broad country eligibility within the provisions of the title, if the U.S. system of preferences had been in effect in 1971, it would have stimulated an estimated $424 million of new exports from beneficiary developing countries to the United States. Of these, some $206 million would have replaced U.S. imports from other sources, for a net increase in U.S. imports of $218 million. (Based on 1971 statistics. Projections for future years indicate that the new imports stimulated by GSP will remain less than 1 percent of total U.S. imports.)

Mr. ULLMAN. Mr. Chairman, I yield 1 minute to the gentleman from Indiana (Mr. ROUSH).

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

Mr. ROUSH. Mr. Chairman, I rise today to offer my observations concerning one section of this proposed Trade Reform Act of 1973, title III "Relief From Unfair Trade Practices." This is a section of the bill which I anticipated as providing significant, definite and measurable relief for American industries faced with subsidized imports from abroad.

Chapter 3 of title III contains major amendments to the countervailing duty law, including a requirement that the Secretary of the Treasury must reach a final determination within 12 months after the question is presented to him as to whether exports to the United States are subject to foreign bounty or grant. Duty-free imports will become subject to countervailing duties for the first time, subject to the finding of a bounty or grant by the Secretary of the Treasury and a subsequent finding by the Tariff Commission that such imports are causing injury to domestic industry. The provisions will assure that domestic producers have the right to judicial review of negative determinations by the Secretary of the Treasury.

So far so good. I have long felt that one of the badly needed remedies for what has become unfair trade competition is the strict enforcement of the legislation already on the books to protect our home industries, and I include among these adjustment assistance, the antidumping law and the countervailing duty provisions. The bill before us represents a step in that direction, but for one step forward it takes two back as far as the countervailing duty section is concerned.

Section 331 of the bill would amend section 303 and 516 of the Tariff Act of 1930 in a number of important respects. Section 303 is the statute under which the Secretary of the Treasury determines whether imported foreign articles are receiving a "bounty or grant" are subsidized. The Secretary is required to ascertain and determine the net amount of any bounty or grant and to declare the net amounts so determined in order to impose countervailing duties to provide some level of equity for American products competing with their imports.

The present proposal makes enforcement of countervailing duties mandatory, reduces the time element, and gives the right of judicial review to companies. This is eminently satisfactory, However, it also adds a new subsection (e) to section 303 of the Tariff Act authorizing the Secretary of the Treasury not to impose additional duties under that section 303 if, after seeking information and advice from such agencies as he may deem appropriate, he determines that such imposition would be likely to seriously jeopardize satisfactory completion of international trade negotiations. And his authority for this suspension would last for four years.

Thus those of us who wish adequate guarantees for American industry and workers find ourselves worse off than before. This decision to allow the enforcement of countervailing duty laws through judicial review to be withheld for four years deals a death blow to the millions of us who believe in fair trade and it amounts to a 5-year repeal—in all—of the countervailing duty laws. Since the objective of this law is to remedy internationally recognized forms of currently unfair trade competition, this proposal is conceptually unsound.

As explained in the committee report the purpose of this amendment is to permit administrative discretion where there is uncertainty as to whether a particular practice is condemned as an export-related subsidy. The amendment, however, seems to go much further than its stated purpose. There are many subsidy practices under the GATT which are clearly condemned, such as, direct grants for exporters, the remission of corporate taxes on export income, and a whole variety of export-related assistance for production, distribution, raw material acquisition and export credit. Yet, the discretionary authority in the amendment apparently applies to these clearly recognized export subsidies, as well as to the practices in the "gray area."

To clarify this point in the legislative history I would like to ask: Is the intent of this amendment to permit the Secretary of the Treasury to refrain from imposing countervailing duties only when the export-assist in question is in this "gray area"?

It would seem to me, Mr. Chairman, that a firm and strict commitment to invocation of our countervailing duty laws would assist us in trade negotiations much more effectively than the passage of trade legislation such as this which leaves everyone uncertain as to the

strength of U.S. commitment to relief and protection of our own industries from unfair trade practices. If no one can be sure that the power to retaliate will be forthcoming, countervailing duties become a meaningless and ineffective club. If, as this bill proposes, countervailing duties will only be imposed when such action will not offend our trade partners, when will it be used and what kind of negotiating power does that leave us? We have given up in advance one of our chief weapons. The countervailing duty law was originally passed to retaliate against those countries which subsidize industries competing with American industries in our home market. It was never meant to win friends abroad but to look to the legitimate interests of industry here at home. That was the clear congressional intent.

Moreover, I have little confidence that this kind of discretionary authority will result in strong action on the part of the Treasury Department. After all, the antidumping law, countervailing duty provisions and adjustment assistance have been meagerly applied and enforced. It was for this very reason that American industry came to the Congress to ask for legislative enforcement provisions and for this right to judicial review—to strengthen our trade relief measures. By this provision we guarantee the enforcement of countervailing duty laws through judicial review on the one hand, and then suspend this right with the other. Who are we fooling? Certainly not our trade partners. They know what this means, and certainly we are not fooling American business interests.

I would go on further to ask: What will happen if this Congress passes trade legislation patently inadequate to the needs of American industry? I think we can expect several undesirable results. First, those who argue forcefully against "protectionist legislation" should be advised that unless American industry is given some definite, unequivocable guarantees that "free trade" will be required of our trading partners as well as ourselves, our own industry will flee abroad and join the ranks of the multinationals flourishing in other countries. Second, the demand for stringent trade quotas will inevitably increase.

I recognize that I am something of a voice crying in the wilderness since this title of the trade bill cannot be amended under the rule. However, the vote here today does not complete action on this legislation and I would hope that those who determine the final details of this bill will take heed to the effects this particular section of the trade bill will have on American industry and the total economy.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. CLANCY) who is a new member on our committee, and a very valuable member.

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

Mr. CLANCY. Mr. Chairman, I support H.R. 10710 because I feel strongly that it is an essential ingredient of trade negotiations which can be of great benefit to the United States.

The bill is designed to protect and enhance the position of American interests in a number of ways—including strengthened import relief measures for domestic firms and workers, and tougher provisions to deal with unfair trade practices by foreign governments and enterprises. But the primary purpose of the legislation is to provide authority for effective U.S. participation in multilateral negotiations on both tariffs and nontariff barriers to trade, that will accrue to the benefit of the American economy.

This authority is set forth in title I of the bill and already has been described in considerable detail by several of my committee colleagues. It is not my purpose to repeat what has been said in regard to this portion of the bill, but to emphasize and enlarge upon two aspects of it—relating to nontariff barriers, or NTB's, and to the General Agreement on Tariffs and Trade, or GATT.

First, with respect to NTB's, I think it can be said with complete accuracy that they represent some of the most complex and pressing problem areas to be faced in upcoming world trade negotiations. This certainly is not to say that tariff rates themselves have been reduced to insignificance. To the contrary, they remain important. Many countries continue to have very high rates on vital industrial items which, if cut, would greatly expand American export opportunities and increase domestic job opportunities. But the proliferation of non tariff barriers, both in numbers and in the extent of usage, poses a new and even more formidable challenge to our negotiators and to their counterparts from other nations.

Twenty-seven different types of NTBs already have been identified and catalogued—ranging from credit restrictions on importers, through consular and customs formalities and documentation, to more familiar barriers such as quotas, health and safety standards and Government procurement practices. The list undoubtedly will continue to grow as more devices are recognized and as countries find new ways to shut off outside competition in their own marketplaces.

The overriding objective of the U.S. negotiating team will be, of course, to focus on and break down the barriers which work against our economic interests—to open up foreign markets as much as possible for the items which we most want to sell abroad.

In order to achieve this end, our negotiators must have sufficient authority. If they do not, their foreign counterparts simply will not be willing to bargain with them.

Because of this obvious need, the administration asked for very broad negotiating power, including the authority to pursue agreements on some NTB's in advance of congressional review. Our committee saw the need, but also recognized the risk, from a domestic point of view, that our negotiators might give up more than we felt was desirable in pursuit of a particular agreement.

Therefore, we widened the congressional veto procedure to cover all NTB agreements, and we provided for consultation, in advance of the completion of such agreements, with appropriate congressional committees.

Our negotiators would have preferred the broader authority originally sought, of course, but they have accepted our committee's modification as a workable mechanism. It would give them the credibility they need at the bargaining table, because there would be a reasonable expectation that negotiated agreements would be implemented. Yet it would, at the same time, preserve congressional responsibility for domestic legislation and the protection of domestic interests.

With respect to the General Agreement on Tariffs and Trade, I think it is important to note that H.R. 10710 includes an authorization for an annual appropriation to pay our country's share of GATT expenses. The United States has participated in the organization since 1947, but the Congress never has specifically authorized expenditure of funds for this purpose. Our national share has been paid, up to now, out of the State Department's International Conference and Contingencies Appropriation Fund.

Our committee felt that after 26 years, it was high time we faced up to the realities of the situation and made outright authorizations and appropriations on an annual basis. At the same time, we felt strongly that some changes should be made in GATT, and we, therefore, included a provision instructing the Administration to seek certain revisions.

Although the principles underlying this international body of rules for the conduct of foreign trade remain valid, some of the rules are obsolete. The number of participating nations has increased over the years from 19 to 85, yet GATT decisions still are based on one vote per country. Considering the widely varying economic interests represented, weighed voting clearly would be more equitable. Another problem has arisen from the inability, under GATT machinery, to obtain adequate enforcement of rules applying to the formation of customs unions and free trade areas. For these and other reasons, H.R. 10710 would direct the President to pursue the following GATT reforms:

First. A change in the decisionmaking system to more accurately reflect the balance of economic interests;

Second. A rule revision to make sure that all forms of import restraints which are used in response to injurious competition are adequately covered;

Third. Extension of the rules to cover such conditions as fair labor standards and a public petition and confrontation procedure to allow individuals as well as governments to present grievances;

Fourth. A change in the border tax rule, to allow adjustments for direct as well as indirect levies; and

Fifth. Rule modifications which would recognize import surcharges as preferred actions to be taken to alleviate balance-of-payments problems.

Our committee has made it clear that this list of desirable changes is not meant to be all-inclusive, but is merely representative of more urgent reform objectives.

In short, Mr. Chairman, H.R. 10710

would signal not only official U.S. recognition of the basic worth of GATT but also our intention to push hard for badly needed improvements.

While I have focused on two important aspects of the bill, it also contains needed improvements in the escape clause, adjustment assistance, our antidumping and countervailing duty laws, and measures to deal with unfair trade practices. These provisions, along with those I have described, make the passage of this bill an important objective.

I urge my colleagues to join me in supporting this legislation.

Mr. ULLMAN. Mr. Chairman, I yield to the gentleman from Illinois (Mr. ROSTENKOWSKI) such time as he may consume for a question.

Mr. ROSTENKOWSKI. Mr. Chairman, I thank my chairman for yielding.

Mr. Chairman, in its "section-by-section analysis of the Trade Reform Act of 1973," sent to the Ways and Means Committee by the administration along with its proposed bill which was introduced and considered by the committee as H.R. 6767, at page 68 of the so-called committee print, which contains this section-by-section analysis, the administration discussed section 103(c) of H.R. 6767.

Section 103 was entitled "Nontariff Barriers to Trade" and, in this administration analysis, subsection (c) was explained as granting the President advance authority to implement certain trade agreements and specifically cited as an example of agreements which could be implemented under this authority, agreements relating to, and I quote from page 68, "the wine-gallon/proof-gallon basis for assessment."

As the members of the Ways and Means Committee know, this example referred to the method of tax determination on distilled spirits which is presently contained in section 5001 of the Internal Revenue Code and which has been in every enactment of the Federal tax laws since 1868. Similarly, it has been the view of this committee that the President has never had the authority and should not be granted the authority to change, in any way, this wine-gallon/proof-gallon method of tax determination.

Therefore, am I correct, Mr. Chairman, in pointing out that our committee in its hearings and executive sessions very carefully considered this Presidential request for such authority and that the committee determined not to grant such authority? And that there is no provision or language in the bill now before us, H.R. 10710, which would grant the President authority to make change or modification of the wine-gallon/proof-gallon basis for assessment without congressional approval.

Mr. ULLMAN. The distinguished gentleman is absolutely correct. It was our committee's determination that any such change in the Internal Revenue Code would have to be approved by the Congress.

Mr. ROSTENKOWSKI. I thank the gentleman.

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

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee (Mr. JONES).

(Mr. JONES of Tennessee asked and was given permission to revise and extends his remarks.)

Mr. JONES of Tennessee. Mr. Chairman, as a member of the Committee on Agriculture and as chairman of the House Dairy and Poultry Subcommittee, I am concerned about the effect of this bill on our domestic dairy industry. My concern is heightened by the fact that the well-known Flanagan report keeps reappearing despite some strong congressional efforts to set it aside. The idea of this report was to open the American market to a flood of imported dairy products in an effort to get our trading partners to purchase our other products.

Such an action might or might not help the administration's balance-of-trade problems, but it would certainly ruin our domestic dairy industry. This would simply place us in a situation with regard to milk that would be similar to the current oil situation. Milk is a critical product and there is no logical reason why the United States should make itself dependent upon uncertain milk supplies from foreign countries.

Another serious question arises with regard to the quality of many dairy products being imported to this country. I am not condemning the sanitary conditions of the dairies in all countries because I understand that some countries have high standards. But, on the average, production standards in many foreign countries simply do not meet those we stringently impose on American dairy farmers and dairy processors.

It is my understanding that about one-sixth of our cheese imports are rejected by customs officials making spot checks. This year the administration opened the door for nonfat dry milk imports and I saw some pictures of the product we received. I can assure you that the samples I saw are not what American mothers want to feed their babies.

It is not fair to our dairy industry to require it to produce a high quality product and then undercut it with low quality, highly subsidized imports. I also cannot justify subjecting American consumers to products whose quality cannot be accounted for.

For several weeks now I have been considering the best way to look into this very problem. I plan to seek Chairman BOB POAGE's counsel on the advisability of holding hearings in the subcommittee on pending legislation in this area.

Some things simply should not be bartered away. The ability to produce in an efficient manner critical commodities such as milk and dairy products falls in this category. Neither, this bill or the accompanying report, seem to have broached this subject in very specific terms. I hope our debate here today will give concrete guidance as to the true intent of Congress on this matter.

I would like to ask the gentleman from Oregon (Mr. ULLMAN) exactly what assurances, if any, the administration has given that it does not intend to trade off our dairy industry? And, to what extent will our negotiators attempt to insure that dairy imports meet the quality standards we require of domestic products?

Mr. ULLMAN. You raise a specific question with respect to dairy products. Let me emphasize the fact that the Ways and Means Committee, and I am sure this House, will hold the administration to its commitment that domestic measure of particular interest to our own dairy industry will not be the subject of negotiation unless dairy policies of our major competitors were also the subject of negotiation. We expect the President to live up to the negotiating objective of seeking competitive balance for major agricultural products, including specifically dairy. When any nontariff barrier agreement which affects dairy products is returned to the Congress, we will examine it closely to see whether the negotiating objective contained in the bill was in fact honored.

Mr. CHAMBERLAIN. Mr. Chairman, I rise in support of H.R. 10710, the Trade Reform Act of 1973.

The President has been without trade negotiating authority since 1967 and has not had even the power to adjust tariffs necessary to take effective action under the escape clause. This bill provides carefully limited authority to negotiate with our trading partners on tariffs and also authority to negotiate with respect to nontariff barriers which have been playing an increasingly important role in international trade in recent years. This authority is important and must be provided if the United States is to participate effectively in international economic relations.

The bill also makes important improvements in provisions of existing law relating to import relief for domestic industries and workers, includes needed changes in our adjustment assistance program, and provides a more effective antidumping and countervailing duty statute as well as increased protection against unfair trade practices. Others on the committee have gone into great detail on some of these provisions, so I will confine my remarks to a few important points which need emphasizing.

First, it is important to point out that the bill removes impediments to effective utilization of adjustment assistance. The existing law requires that workers show that their dislocations are in major part due to increased imports which, in turn, are in major part due to past tariff concessions. This double burden has made it extremely difficult for American workers to qualify for needed relief and adjust to import competition.

The new law will eliminate the requirement that increased imports be connected with past tariff concessions. Additionally, the bill will only require that imports "contribute importantly" to the economic dislocation of workers rather than be the major cause. This far less stringent criteria should provide more meaningful access to adjustment assistance benefits.

Additionally, benefits under existing law are limited to two-thirds of a worker's wage up to a maximum of two-thirds of the average of manufacturing wages. Under the provisions of this bill,

a worker will be abe to obtain 70 percent of his wages for the first 6 months and 65 percent for the next 6 months. More importantly, the maximum benefit will now be equal to 100 percent of the average wages in manufacturing rather than two-thirds.

Second, I want to say a few words about the Canadian Automobile Agreement. As noted in the committee report on page 90, the committee did discuss developments under the United States-Canadian Automotive Products Agreement. It was pointed out to the committee that the trade statistics being using in the annual report of the President on the automotive agreement are specially developed statistics and do not reflect the values normally used in reporting U.S. exports and imports.

On a number of occasions, I have indicated to the House my strong belief that the U.S. Automotive Products Agreement has not resulted in the great advantages to the United States predicted at the time the Congress was asked to implement the agreement. The Canadian Government continues to impose transitional measures which do not permit the interplay of free-market forces as intended by the agreement. I continue to marvel at the satisfaction that supporters of this agreement express when one considers that Canada, a country with one-tenth of the population of the United States, has a favorable balance of trade in automotive products, one of our foremost industries.

It is my hope that renewed emphasis on this trade after this bill passes will prompt our officials to pay more attention to commercial policy beneficial to our own econmy and less attentin to foreign policy in our dealings with other countries. There is no better place to start than with the automotive agreement.

If a satisfactory carrying out of the agreement cannot be obtained from Canada, I believe we in Congress must consider its termination and repeal.

I renew my call for our Government officials to seek the immediate elimination of the transitional measures still being maintained by the Canadian Government under the Automotive Products Agreement.

Further, as it is evident that the energy crisis will require the automotive industry to make numerous adjustments, I would like to express the hope that those adjustments will recognize and be based upon the needs and welfare of our own industries and workers.

Finally, I also want to say a word about the multinational corporation. Unfortunately, the term "multinational" has become a pejorative term down-grading efficient business organizations operating in the international community. There is no doubt that the multinational corporation has expanded in scope and requires observation and careful analysis. However, the studies which have been done to date indicate to my satisfaction that multinational corporations have created many American jobs and that exports related to their activities are far in excess of imports.

In this connection, I would like to point out that during the committee's consideration of this legislation, representatives of major Michigan international corporations met with our Michigan congressional delegation to express their views relating to international trade. Of these corporations, 13 collectively employed 505,000 Michigan citizens, 46 percent of the manufacturing work force in our State.

They told us that 45,000 of these Michigan jobs were directly dependent upon the exports of these corporations. In many cases, multinational corporations' products are manufactured in a given country for sale in that country or economically related geographic areas. They are responding to economic efficiency and, therefore, make goods available to consumers at lower prices, increasing the economic well-being of both workers and consumers. Despite theories to the contrary the evidence is compelling that the choice for most American companies has rarely been between investing in the United States or investing in foreign operations, but rather investing in foreign operations or losing a foreign market to a competitor.

There are undoubtedly abuses which need to be corrected, and it would be an oversimplification to say that there are not problems, and governments must give careful attention to these problems, but this cannot be done in an environment that simply decries that everything about the multinational is bad.

Mr. Chairman, let me summarize by saying that this comprehensive and complex bill will enable us to effectively deal with our trading partners in establishing an open world trading system. It will also enable us to deal effectively and promptly with unfair trade practices, and provide needed import relief to enable our industries to adjust to competition. The bill is needed and I urge my colleagues to join me in its support.

Mr. THOMSON of Wisconsin. Mr. Chairman, the Trade Reform Act of 1973 is legislation that can touch the lives of every American.

Few American industries face greater impact, however, than the dairy industry. Suggestions such as those contained in the "Flanigan Report" have caused great concern among dairy farmers in the last year.

I recognize that some of the basic conditions that existed at the time the "Flanigan Report" was prepared have changed very substantially. Many of these changes have rendered portions of the study obsolete.

There are basically two very serious shortcomings in the analysis included in the Flanigan study. My review of it would indicate that the report did not contemplate any requirement that foreign dairy products entering this country be required to meet the same health standards required of domestic production and, frankly, the report does not seem to contemplate a system of totally free trade in dairy products.

If my latter conclusion is correct, and it was intended that the market for dairy products in this country be used as a negotiating instrument to gain expanded access for American exports in foreign markets, the concern of the dairy farmer is completely justified. In the economic best interest, not only of the dairy industry, but of the Nation as a whole, this must not be allowed to happen.

Specific language has been included in the report accompanying the trade bill in response to concerns expressed that provisions benefiting our domestic dairy industry would be negotiated away in order to secure greater access for other agricultural exports, with little regard for the severe discrimination and high level protection afforded dairy products by our trading partners. This language contains administration assurances that protection for our own dairy industry would not be the subject of negotiation unless dairy policies of our major competitors were also on the table, and it contains an expression of the intention of the Ways and Means Committee that authority granted by the Congress to negotiate on nontariff barriers would be used to provide equivalent market access for agricultural products, to that extent feasible.

The administration has made public its position on this question on a number of occasions. In testifying before the Ways and Means Committee regarding this bill, Agriculture Secretary Butz states that—

> The dairy industry has been highly protected around the world. Surpluses have built up and certain of our trading partners have resorted to large export subsidies in order to market these surpluses. In a liberalized trading situation, we would expect these export subsidies would be terminated, thereby ameliorating much of the adverse effect for U.S. producers.

Public and congressional oversight procedures provided by this bill are strong. With respect to dairy, any negotiation conducted by the administration would have to be brought back to the Congress for review and could be vetoed if a simple majority of the Members of either House felt that the settlement obtained failed to provide fair competitive terms for the dairy industry.

All this is helpful, but there could be more than that. There could and should be a firm pledge from the President or a direction from Congress that a trade-off of the dairy industry will not take place.

It is difficult to follow the logic of the "Flanigan Report" that cites increased U.S. imports of dairy products from the European Community when one looks at the comparative production data unless the assumption is made that there will be some form of continuing export subsidy and accompanying import restriction by the Common Market.

As Ambassador Eberle has stated publicly:

> Our dairy industry is highly productive. Surely it cannot pay to ship feedstuffs from the U.S., feed lower productivity cows in Europe, and then ship such products back to the U.S. at prices lower than our domestic production without the influence of enormous subsidies and other distorting policies.

If all barriers were taken off around the world, the United States would fare very well. Contrary to views expressed in some quarters, the United States is a very efficient producer of milk. Next to

New Zealand, it is probably the most efficient dairy in the world.

The European Community countries, on the other hand, are for the most part not efficient dairy producers, despite much talk to the contrary. Their production units are usually very small, with many farms having five or six cows or less. And they rely heavily on human labor, rather than on the highly developed technology which is becoming increasingly common in the United States. Neither their productivity nor the average quality of their output can match that of the American dairy industry. If the outrageously high support which the EEC accords its dairy industry were removed, the variable levy system which protects these high prices were dismantled, and its export subsidies eliminated, the efficiency of the EEC dairy industry would be put to the test for the first time. For example, the EEC target price for milk is $6.79 per hundredweight, whereas the U.S. support is $5.63 per hundredweight; for butter, the EEC price is 96.2 cents per pound, whereas it is 62 cents per pound in the United States. In all likelihood, the result would be a drop in European dairy production. This would go far to prevent price-depressing world surpluses from developing and would make it unnecessary for the EEC or other suppliers to resort to export subsidies to dump their excess production in foreign markets.

If no progress is made toward the elimination of these barriers, however, it is difficult, if not impossible, to conceive of a justification for a restructuring of the provisions relating to the American dairy industry. To tell the American dairy farmer that he must face a "free world market" when, in fact, no such market exists, is a fantasy.

I made reference earlier in my remarks to the difference in health standards for dairy products imposed here and abroad. There is no question that these standards have increased the costs of producing milk and processing it into dairy products in this country. The dairy industry has met this additional cost; in fact it has insisted on it in many instances as a means of assuring the consumer the highest possible quality product. At the present time, the Food and Drug Administration samples imported dairy products. Over the past few years, their statistics show that between 8 and 24 percent of all inspected cheese imports are rejected as unfit. A major cause for rejection of imports from EEC nations has been the presence of pesticide residues—a situation that has long been grounds for banning an American farmer's milk from the market.

In the interest of consumer protection and product safety, we must assure ourselves that this market or a substantial portion of it will not be given over to imports which do not and cannot meet the same standards that are imposed on domestic production.

I am enclosing for the RECORD the following data on dairy programs for selected major world dairy producers to illustrate the present system under which world competition operates:

EUROPEAN ECONOMIC COMMUNITY

"Target" or support prices for milk are attained by purchases of butter, nonfat dry milk, and certain cheeses. Export subsidies are used on most dairy products with restitution amounts varying by product and market. Threshold prices and import levies are established to equate external prices to internal market levels at the point of import. Denmark, Ireland, and the U.K. are being brought into the system with the latter two still having a special arrangement with New Zealand. France is expected to request a 15 percent increase in the target price shortly.

AUSTRIA

Processing plants are required to pay fixed prices to the producer with an approximate 20 percent direct government subsidy added. An extra quality premium is also sometimes given, but approximately 40¢ per cwt is subtracted for promoting exports.

SWEDEN

The government has a policy to adjust milk production to demand. The support program is financed by import levies and tax funds.

SWITZERLAND

The basic policy is designed to adjust milk production to demand. Approximately ¼ of the price is held back to finance any loss in the export of dairy products. Any left at the end of the year is returned to the farmer.

AUSTRALIA

The support program is in the process of being phased out. Its termination is scheduled for 1976.

NEW ZEALAND

There is no direct support program. Over ¾ of milk production is exported in one form or another, and these exports are controlled by the New Zealand Dairy Board.

CANADA

Manufactured milk prices are supported by offers to purchase butter, cheddar cheese, and nonfat dry milk in conjunction with direct payments to farmers. Prices received by producers are controlled by individual Provincial Marketing Boards.

The CHAIRMAN. Under the rule the Chair now recognizes the gentleman from Pennsylvania (Mr. DENT).

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

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

The CHAIRMAN. The Chair will count.

Evidently a quorum is not present. The call will be taken by electronic device.

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

[Roll No. 640]

Abdnor	du Pont	Landgrebe
Adams	Edwards, Ala.	Landrum
Annunzio	Edwards, Calif.	McEwen
Archer	Erlenborn	Mann
Armstrong	Eshleman	Melcher
Aspin	Fish	Mills, Ark.
Badillo	Fisher	Minshall, Ohio
Barrett	Flowers	Mitchell, Md.
Bell	Fraser	Mizell
Bergland	Grasso	Podell
Blatnik	Gray	Powell, Ohio
Broomfield	Gubser	Pritchard
Buchanan	Hanrahan	Reid
Burke, Calif.	Harsha	Rhodes
Carey, N.Y.	Hébert	Roncalio, N.Y.
Cederberg	Heinz	Rooney, N.Y.
Chisholm	Helstoski	Rose
Clark	Henderson	Rosenthal
Conyers	Hogan	Ryan
Coughlin	Hunt	Satterfield
Dellenback	Jarman	Scherle
Dellums	Johnson, Colo.	Sebelius
Diggs	Kastenmeier	Shoup
Donohue	Keating	Shriver
Shuster	Symms	Widnall
Skubitz	Taylor, Mo.	Wyatt
Snyder	Thompson, N.J.	Wydler
Stark	Veysey	Yates
Steed	Waggonner	Yatron
Stokes	Walsh	Young, Ill.
Stuckey	Wampler	
Symington	Whitten	

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BOLAND, 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. 10710, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 338 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The committee resumed its sitting.

The CHAIRMAN. When the point of order that a quorum was not present was made, the Chair had recognized the gentleman from Pennsylvania (Mr. DENT).

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

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

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

Mr. DERWINSKI. Mr. Chairman, I commend the gentleman from Pennsylvania on the heroic fight the gentleman made on the rule.

Mr. Chairman, the fact that there has not been a Quorum present on the floor throughout this entire debate is evidence that the rule adopted was a disservice to the subject matter before us.

I believe that the House should have had the opportunity to work through every section of the bill. I especially point out to the Members that the three votes that are permitted are still subject to very limited debate. This is a mockery of the legislative process.

Personally, it was my hope that we would have a rule which would have permitted me to offer an amendment to grant most-favored-nation status to Romania, Czechoslovakia, Bulgaria, and Hungary. The purpose would have been to set the stage for their expanding trade relations with us, which would have automatically decreased their dependency on the Soviet Union.

It is my understanding that the so-called Vanik amendment would not preclude the extension of nondiscriminatory tariff treatment to any of these countries. However, keep in mind that this is an interpretation not precise language.

For these reasons, I fully support the view of the proponents of the Vanik amendment that Romania, Czechoslovakia, Bulgaria, and Hungary should be accorded most-favored-nation treatment, and that nothing in the present bill should be interpreted as precluding this.

Mr. Chairman, may I now address myself to the basic subject of trade? It is difficult to achieve a completely acceptable flow of exports in relation to imports, and we certainly need a national trade policy requiring nations which export to use to, in turn, permit entry of

American products into their markets. We have nothing to fear from the free flow of trade, but it must be a two-way street. Quotas or restrictions against American products must be eliminated.

In addition, Mr. Chairman, we must recognize the enormous values, both economically as well as politically, to the United States of our sale of farm products abroad should take into account our domestic needs so that food prices in our country would not be forced up. I also believe that we should use our agricultural productivity as a bargaining tool in foreign affairs. We should extract political and economic concession from the Soviet Union and Red China before making any substantial sales of grain or other food products to them.

May I add, Mr. Chairman, since détente is proving to be a substantial illusion that, notwithstanding any restrictions of the Vanik-type language, I do not believe that we should extend anything beyond normal commercial credit terms to the U.S.S.R.

This bill has been held up much too long and we certainly must provide our negotiators with leverage and flexibility to use in negotiations with the Common Market, Japan, Canada, and other major trading partners. Therefore, despite its imperfect form and my opening complaints against the rule, I will vote for final passage.

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

Mr. DENT. Mr. Chairman, just before I took the floor there was a little discussion made as to the position of agriculture insofar as milk products are concerned. In answering the reply about the protection of milk products, I might say that perhaps the Members had better read the November 30 "News for Dairy Co-ops." In it you will see that Secretary of Agriculture Earl L. Butz tells us that the cheese import quotas would be expanded 60 to 100 million pounds before the end of this year.

You know, if you want to take time, and analyze this whole problem of agricultural imports—from milk, to meat, to hides and all of the products derivative from the hides, the milk and the meat—you would have to recognize the sad story of American agriculture.

It has been noted by a man much wiser than I would ever be, or could be, that if we were to feed all of the cattle that we need to consume in the United States, there would never have been a surplus or shortage of feed grain products in the United States.

At this moment we are exporting more feed grains than we are consuming in meat in this country, because we have made it possible for an American to go to Costa Rica, to go to Colombia, to go anywhere in the world, and open up a feed lot, buy feed grains from the United States for less than the domestic feed grain price, to import the meat and blend it in on the counter of the butcher, and sell it at the same high cost as we sell domestically grown and butchered meat.

I came to the Congress a confirmed free-trader, just as badly misled as the majority of this Congress is, just as badly misinformed as the majority of this Congress is, just as badly fooled as we were in 1962, and from what I see before me today, we will be fooled again.

What happens to trade? Trade for use is the initiative that makes friends in the international world. Trade for abuse makes enemies. We have said that trade encourages peace—peace when?

Peace when? I am 65 years of age, and I cannot remember when we have ever had peace.

When I was 16 years of age, I was down in Nicaragua chasing San Dino out of his own country. Sixteen years of age. That is a long time ago. What peace? Have we gained peace?

When we took this country out of trade on a basis of economics and made it solely a basis of international diplomacy, we can counter to the advice of every president of the United States of America, including Franklin D. Roosevelt, who said:

> Never allow the inexact science of foreign diplomacy to overshadow the exact science of trade economics.

Have we not done that? Oh, yes; we have. Let us take the Russian wheat deal. Was that a trade deal? That is what this bill promotes, and it promotes it to the extent that we have already agreed, Mr. Chairman—and I will back that up with facts—to make safe and secure the needs of Russia for the next 3 years in wheat, even if they have a shortfall in their crop, even if it denies the American people and our traditional trading partners around the world much needed wheat.

In less than 35 days after the wheat deal went through, bread prices, wheat prices, flour prices, increased to the baker by 100 percent. The second largest bakery in our area, in fact, I think in the United States, a national bakery, was almost on the edge of being taken out of business completely, second only to one other bakery in the United States. The only thing that saved it was that they were permitted a price increase pass-through for the increases in wheat that they had to pay.

I was told this afternoon in a rather unusual manner when I spoke about unemployment caused by this trade bill that it was a figment of my imagination. The same man has some figments of his own, because he told this floor not an hour and a half ago that the United Electrical Automobile and Aerospace Workers were sponsoring this bill.

Point 1: Here is the letter from the Auto Workers, as he called them, against this bill in its entirety:

> INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA.
>
> *Washington, D.C., October 12, 1973.*
>
> DEAR REPRESENTATIVE: The UAW believes that the trade bill approved by the Ways and Means Committee last week falls far short of the needs of the nation and of the nation's workers.
>
> Failure to include reform of the taxation of overseas income is unconscionable. The continued deferral of taxation of overseas income and the overseas tax credit provides a continuing strong incentive to move American jobs overseas.
>
> The modest steps taken by the Committee in the area of trade adjustment assistance is a betrayal of the needs of American workers. The Committee's bill falls so far short of previous Congressional policy established in the Amtrak legislation that it is demeaning to workers affected.
>
> Therefore, on behalf of the UAW, I urge you to vote against the trade bill.
>
> Sincerely yours,
>
> JACK BEIDLER,
> *Legislative Director.*

Point No. 2: Another spokesman this afternoon said that the IUE was for this bill. Item No. 2, a letter from the IUE indicating that they are 100-percent against this bill:

> INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
> INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS,
> INTERNATIONAL UNION OF ELECTRICAL, RADIO AND MACHINE WORKERS,
>
> *Washington, D.C., October 23, 1973.*
>
> TO MEMBERS OF THE HOUSE OF REPRESENTATIVES: The IBEW, IAM and IUE, with the largest concentration of workers in the electrical-electronics industry, opposes enactment of H.R. 10710, the "Trade Reform Act of 1973." We urge you to vote against this bill.
>
> There is an acute need for responsible trade legislation. The rise of multinational corporations, the changed economic relationships among nations and the decline of the dollar make this obvious even to those who have not been injured directly by the flood of imports. The need is even more evident to the members of our three unions, many of whom have seen plant gates shut in their faces, production transferred overseas and opportunities for new jobs erased—all as a result of the very conditions which require reform.
>
> Instead of attacking directly the complex roots of the trade crisis, H.R. 10710 has these deficiencies:
>
> *1. It's a special interest bill.* Although massive investments abroad, tax loopholes on overseas profits, the shifting of production beyond our shores, and the sale and licensing of taxpayer-subsidized technology are responsible for much of the trade crisis, the bill does nothing about these evils created or exploited by multinational corporations. Indeed, it was written solely on the basis of big business recommendations, while the harsh experience of American workers and the unanimous testimony of their representatives was ignored.
>
> *2. It promotes the export of more jobs to low-wage countries.* By giving the President power to remove tariffs from their products, the bill invites a new wave of imports from Taiwan, Singapore, Haiti, Brazil and other nations where runaway U.S. manufacturers are riding high, where wages are miniscule and where trade unionism is oppressed or illegal.
>
> *3. It prescribes a poisoned placebo for inflation.* By permitting the President to temporarily remove tariffs and quotas as an "anti-inflation" device, the bill will simply open up new opportunities for imports to preempt the U.S. market. It will have no effect on inflation. If imports cured inflation, U.S. prices would be at rock bottom today.
>
> *4. It lowers U.S. standards, rather than raising those of other nations.* In the name of promoting trade, the President can negotiate the removal of such "non-tariff barriers" as consumer protection and product standard laws. He can agree to elimination of required country-of-origin identification on products, including those carrying American brand names. Without muscle behind it, the bill's nod in the direction of international fair labor standards means nothing;

in fact, by encouraging further export of jobs to low-wage countries, the bill will undercut U.S. wage and benefit standards.

5. *It offers nothing to cope with imports.* Existing laws against other nations' unfair trade practices are weakened. Qualifications for adjustment assistance and for relief from the subsidized competition of foreign exporters are toughened.

H.R. 10710 is opposed by the two million members of IBEW, IAM and IUE. To you they say: vote against it and thereby open the way for a new bill that deals with the problem of trade, rather than making trade a greater problem.

Respectfully,

CHARLES H. PILLARD,
President, IBEW.
FLOYD E. SMITH,
President, IAM.
PAUL JENNINGS,
President, IUE.

I have heard it said that the Industrial Union Department of CIO—which was always for this trade bill, always, but they have learned a lesson that this Congress has not learned—where is the IUD? Here it is, exhibit No. 3, a letter urging defeat of the bill:

INDUSTRIAL UNION DEPARTMENT,
Washington, D.C., October 9, 1973.

DEAR CONGRESSMAN: The trade bill reported by the House Ways and Means Committee is, in our judgment, a body blow to the health of the American economy and particularly a grievous thrust at the job security of millions of American workers.

In spite of the melancholy fact that more than one million U.S. jobs, mostly in manufacturing, have been lost since 1966 because of the enormous influx of foreign goods, there seems to be the unhappy tendency to wish this fact away as a bad dream. But it is terribly real.

For example, in one overall industry—electronics and electrical—the U.S. Bureau of Labor Statistics took a job inventory in September 1969 and repeated it in September 1972 and discovered 450,800 jobs less in September 1972 than in September 1969! The nature of the industry involved and the known trade facts concerning this industry, make it clear that the overwhelming reported job loss was due to imports.

On a smaller scale, we in the Industrial Union Department have kept a running boxscore of plant closings during the past 30 months. It is a random and scattered sampling which is very much incomplete and represents a tiny smattering of the totality of plant closings. Yet, our "tip of the iceberg" statistics compiled during the last 30 months show 142 shops totally or partially closed because of foreign imports. 112 of these were closed altogether with an average job loss of 449, while 30 shops were partially closed because of imports with an average job loss of 353. The total job loss in our minuscule sampling was 60,800! Since this very sporadic sampling which we have in our computer shows 60,800 jobs lost due to imports, it takes little imagination to realize that the true job loss because of imports is indeed stupendous and even catastrophic.

It is obvious to us that the bill from the Ways and Means Committee does not address itself to this profoundly important problem—American job loss and unemployment. It is equally obvious to us that any trade bill which fails to directly concern itself with American job security is doomed to ill-serve the American people.

Further, nothing is included in the Administration bill which faces up to the wildly escalating exportation of American capital, technology and jobs by American multinational corporations. Speaking of exportation of American technology, which has been one of the important reasons for our industrial supremacy, one gets a sense of enormity of the exportation of this peculiarly American asset when it is realized that in 1960 American multinational corporations received a total income of $840 million from the sale of royalties and licenses abroad, while in 1971 American corporations received a total of more than $3 billion for the sale abroad of such royalties and licenses. It would not be surprising if this figure reached $4 billion in 1973.

Any meaningful bill must begin the process of regulation of these multinational industrial (and often political) goliaths who devour American jobs as readily as they avoid American taxation of their foreign profits.

Further, it is our understanding that the principal thrust of the bill is to grant additional powers to the President, powers which would further diminish the authority of Congress. It is our fear that such ceding of congressional responsibility to the President may very well worsen our present predicament rather than ameliorate it. The Administration has a strong tendency to think and act in the area of international trade in terms of diplomacy rather than the economic interests of the American people. We believe that the time for earnest and hard bargaining with our trading partners is here. The predirection of the Administration to ignore this reality is such that we urge against following this counter-productive trail.

All in all, our earnest conviction is that the shape of the present bill is so out of joint as to make it more of a national liability than a national asset and therefore should be shelved and a new start made.

I respectfully ask your careful consideration of this communication.

Sincerely,

I. W. ABEL, *President.*

Exhibit No. 4, American Federation of Labor and Congress of Industrial Organizations, against the bill 100 percent:

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., December 5, 1973.

Hon. JOHN H. DENT,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DENT: Next week, the House will be voting on the Nixon Administration's trade bill (H.R. 10710).

The AFL-CIO finds this bill worse than no bill at all. We urge that you vote to defeat it.

As it now stands, the bill has been written almost completely to White House specifications. Its key feature is the grant to the President of unprecedented and sweeping new executive powers which he may use—unhindered by the normal restraints of Presidential powers—to permanently alter the structure of foreign trade and the structure of the U.S. economy.

The one feature of the measure not written to White House specifications, however, concerns the granting of most-favored-nation status to the Soviet Union. Title IV denies the extension of MFN to nations unless they permit free emigration. Further, under procedures allowed in the rule, an amendment will be offered to this provision by Rep. Charles Vanik (D., Ohio) which would deny the extension of credits by the United States to the Soviet Union.

The AFL-CIO supports these restrictions on the extension of MFN to the Soviet Union, and urges you to support Title IV and vote for the Vanik amendment. We would then urge you to *vote to defeat the entire bill.*

We believe that the far more logical approach to the pressing problems created by this nation's trade policies and by the growing world-wide energy crisis is for the House to reject the bill now before it and turn to writing a new trade bill in 1974 when the present turmoil of events does not cloud the scene. A strong, assertive trade bill in 1974 should, of course, contain strong restraints on MFN and credits to the Soviet Union.

Consider these facts:

The present trade bill has been withdrawn from floor action three times because of "unfavorable" events;

The bill's strongest backers admit publicly that support for the bill is eroding;

The *N.Y. Times* reported on December 4 that "higher unemployment next year" would reinforce strong opposition to the bill;

The Common Market nations and Japan quickly capitulated in the face of the Arab oil embargo, demonstrating their overriding concern with putting their own economic self-interests ahead of any American considerations.

In view of the fact that world-wide rapid changes are occurring which will deeply affect not only the American economy but America's position with respect to trade with the rest of the world, approval of an Administration trade bill tailored to a set of circumstances which are becoming obsolete with each passing hour would be the height of folly.

Sincerely,

GEORGE MEANY,
President.

The California Federation of Republican Women:

CALIFORNIA FEDERATION OF REPUBLICAN WOMEN,
Carlsbad, Calif., November 15, 1973.

Representative JOHN H. DENT,
House Office Building,
Washington, D.C.

DEAR SIR: We urge your support of our position in opposition to most favored nation status to Russia, as outlined in the enclosed resolution which passed unanimously at our recent convention.

Sincerely,

ANN BOWLER,
President.
ANN HAGERTY,
Corresponding Secretary.

The American Federation of Teachers:

OCTOBER 18, 1973.

DEAR CONGRESSMAN: The American Federation of Teachers, AFL-CIO has closely followed the development of trade legislation in the House Committee on Ways and Means. We had hoped the Committee would offer a bill that would operate to reverse the rapid deterioration of the United States' position in world trade and the loss of thousands of American jobs resulting from increased imports. Unfortunately, the bill finally reported by the Ways and Means Committee, HR 10710, can only serve to worsen the many problems brought about by present trade policies and practices.

As indicated in a letter of August 2, 1973 to members of the Ways and Means Committee, the AFT is keenly aware that in terms of the future for students of all teachers, it is obvious that if a wide range of job choices is not available for them on graduation, the value of their education is materially reduced. Furthermore, all teachers know of the frustrations and tragedies associated with attempting to reach children in a classroom who have just come to school from a household with an unemployed or underemployed breadwinner and all the pressures present in such a situation. Finally, there is the very real question of educational finance. Most of the funding for public education is derived from local tax revenues. When a significant employer in a community closes its doors, it is not long before the schools and therefore, students and teachers, feel the pinch. Thus, the continued strength of the economies of cities, counties and townships

is of utmost importance to us. The professional nature of our membership notwithstanding, the AFT believes that a completely service-oriented economy will not have this strength and that a diversified industrial base must be preserved in the United States.

These concerns led the AFT Executive Council at its meeting in December 1972 to adopt a resolution calling for a positive trade policy to "regulate and control runaway corporations, prevent the irresponsible export of our technology and capital, and regulate imports to prevent widespread bankrupting of families and communities that our obsolete trade policies have permitted."

HR 10710 does not do any of these things. Quite the contrary, the bill constitutes a virtual abdication of Congressional responsibility in the field of foreign trade. It grants the President a blank check of authority in an area which, according to the Constitution, is specifically reserved to the Congress. Furthermore, the bill only offers some minimum cosmetic language to regulate the exercise of the authority Congress will be ceding to the President. For example, one section of Title I of the bill grants the President five-year authority to negotiate tariff cuts on a sliding scale."

But another section of the same title gives the President immediate power to arbitrarily remove *any* tariffs or import quotas (except for some farm products) to increase the import of goods in any category from any country if he alone deems it necessary to fight inflation. Such action could void voluntary import restraint agreements (as in textiles and steel), standards and purchasing policies, all with no provision for Congressional review. Countervailing duties, import "escape clauses" and anti-dumping provisions would be meaningless under this authority.

The same slight-of-hand technique of granting the President limited authority in one section with an open door to complete autonomy in another section is also used in Title V of the bill which provides the President with ten-year authority to give zero tariffs to imports of manufactured and semi-manufactured products from developing countries. Limitations on such authority are provided in one section. But in another, the President may declare that in his judgment, the "national interest" requires keeping the special zero duty. There would be no Congressional review of such a policy decision.

The only authority left to Congress in the area of international trade under HR 10710 would be merely the opportunity to vote up or down in a single action, the highly complicated changes in tariffs and non-tariff safeguards that will be embodied in each trade accord. These trade agreements could have profound effects on important domestic legislation affecting product safety, consumer protections and environmental safeguards but Congress will only have 90 days to examine these impacts and make its decision. The AFT does not believe that this is the time for any further abdication of Congressional responsibility to the Executive Branch.

HR 10710 completely lacks any effective mechanism to reverse or even slow the continuing flood of imports which are wiping out jobs and whole industries at a devastating rate. The bill relies on adjustment assistance as a first line of relief for heavily import-impacted industries, though the President can choose a different policy so long as he reports his reasons. The AFT views these "import relief" procedures as disappointing at best. Adjustment assistance and the other "import relief" measures only become available after the damage to firms, employees and communities has occurred. Nowhere in the proposed bill is there even mention, let alone provision for encouraging corporations to expand operations in the United States as opposed to moving overseas. In fact, quite the opposite is true. The present system of corporate taxation is left intact whereby American corporations are encouraged to transfer production abroad as foreign subsidiaries are granted more favorable tax treatment than companies which choose to keep their production and jobs in the United States. Furthermore, there are no safeguards against the continued export of capital, technology, and jobs which has the effect of further eroding America's already threatened industrial base.

As stated, the AFT is on record as supporting a positive trade policy. However, HR 10710 is totally unacceptable. In fact, its effect, if passed, would be more damaging than no bill at all. Accordingly, we respectfully urge that HR 10710 be defeated as a first step toward the development of meaningful trade legislation that will meet the nation's problems rather than further aggravating them.

Sincerely,

CARL J. MEGEL,
Director, Department of Legislation.

The Amalgamated Meat Cutters and Butcher Workmen:

NOVEMBER 9, 1973.

Hon. JOHN H. DENT,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. DENT: On behalf of our Union, I should like to urge your strong opposition to H.R. 10710, the Administration's trade bill. This measure not only fails to provide protection against the disastrous loss of U.S. jobs now taking place, it would actually accelerate this dangerous process.

Despite the massive loss of employment, despite the great outflow of American technology, despite the undercutting of the American dollar by the multi-national corporations, despite the damage done to the U.S. economy by the unconscionable greed of these corporations, the bill would make no reforms. On the contrary, it would permit the President to cut back the tariffs on goods from low wage nations to zero.

This and other provisions are exactly the immense new powers which President Nixon demanded. The Committee on Ways and Means tinkered a bit, but it put its stamp of approval on President Nixon's bill.

In a transparent maneuver concerning trade favors for the Soviet Union, the Administration would like to drop the Soviet provisions in the House now, in the hope of a better political climate when and if the measure comes before the Senate. It would then try for the Soviet benefits in the Senate and conference. For the sake of human rights, we urge that you support the bill's rejection of Soviet most favored national treatment and vote for the Vanik amendment barring special Russian credits. And then, vote against the bill on final passage. Thank you very much.

Sincerely,

PATRICK E. GORMAN,
Secretary-Treasurer and Chief Executive Officer.

The Amalagamated Clothing Workers:

OCTOBER 19, 1973.

Hon. JOHN H. DENT,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DENT: The House of Representatives will shortly have before it H.R. 10710, the Trade Reform Act of 1973.

As representatives of 365,000 workers in the men's and boys' apparel and related industries, the Amalgamated Clothing Workers of America urges you to reject this trade bill as worse than no legislation at all.

We are primarily concerned that the granting of almost limitless authority to the President in international trade negotiations is a serious abdication of Congressional responsibility. We have no faith that such a broad grant of authority will help the workers in our union or in our industry. Some restraints and voluntary arrangements exist now in the field of international trade in textile and apparel products. The emphasis in H.R. 10710 on the elimination of non-tariff safeguards places these arrangements in jeopardy—at the will of the Executive Branch.

The apparel industry is one of the largest employers in the U.S.; it is also one of the most vulnerable to competion from low-wage countries. H.R. 10710 does not address itself to fair trade policy which would help to maintain the economic health and stability of this industry. The bill takes no steps toward regulating the flood of imports in this, or any other, manufacturing sector; its reliance on the concept of adjustment assistance is an ill-conceived palliative; and its grant of preferential treatment to so-called underdeveloped nations will simply accelerate imports from those countries which have already shown a capacity for massive production in the apparel field.

The jobs of our members are at stake in this legislation. We urge you to oppose H.R. 10710 when it reaches the House floor for a vote.

Sincerely yours,

MURRAY H. FINLEY,
General President.
JACOB SHEINKMAN,
General Secretary-Treasurer.

Shall I take the 13th chapter and read the Members the litany of the saints to express that everybody who has half of a brain and conscience in this country is against this bill, except the Congress of the United States.

Here is a group that is for the bill, and a letter from them. Let me read it to you. The American Importers Association.

"If organized labor has its way," this great big AIA says, "all the imports will be categorized by category, measured as to their impact."

What other way can we do it? Every American business does not lump the sale of shoes and the sale of plows in comparison. They go by category. Give me category-by-category in this legislation, and that is the only sound way we can operate in international trade. Every country but the United States operates that way. We are the only ones that operate in an area of basket consideration.

At one time I exposed on this floor the fact that we had sent CARE packages overseas, only to have them subsequently classified an export from the United States and totaled up into moneymaking exports of the United States.

All the foreign aid we have given since the beginning of foreign aid programs has been counted as an export. What do the Members think about the fact that we have been doing a great business in exports and still owe all the money in the world? If we are doing so well, how come we owe so much money? Why is it that the Japanese are in Somerset County, next to my home, buying up all the coal in the ground they can buy? Why is it the Japanese now own many, many lumber plants in Alaska? That great frontier of ours, our greatest remaining resource in lumber and timber is being bought up by the Japanese.

What else are they doing? Almost every celery patch in Arizona and southern California is now owned by the

Japanese. Why not? They are buying it with a 60-cent dollar. Who created the 60-cent dollar? The foreign "friends" of ours who knocked the dollar down.

When anybody tells us now that this increases exports, did it increase exports in the shoe business? Did it increase exports in the shoe business?

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to my friend, the gentleman from Massachusetts (Mr. BURKE).

Mr. BURKE of Massachusetts. Mr. Chairman, not only did it not increase exports, but talking about the Japanese, one of the most unusual things happened in the month of August this year, in my judgment. In August of 1945 we signed a peace treaty with Japan and in August of 1973 the Japanese were over wanting to buy the Boston Naval Shipyard.

Mr. DENT. That is not entirely an unusual situation, because they are now resting over there with their billions of American dollars they do not want. They can spend it in the United States and get one dollar's worth as per our exchange with our labor and only 60 cents worth as per their exchange with the Japanese yen.

But let me show the Members what the American Importers Association has done. I call upon the several committees that may have jurisdiction to look into matters of this kind. AIA has a fund raised to defeat the so-called Burke-Hartke bill and support this trade legislation. The AIA established a suggestion of contributions from agents, retailers and central purchasing agents according to the volume of imports in millions. For those under $1 million, $150 contribution on up the line to $1,350 contribution is expected from every importer to and exporter from the United States. For customs brokers, with 1 to 10 employees, $150 is expected; a customs broker with 51 to 60 is expected to give $450. Every broker has a piece of the pie in the export-import business. I would like to insert this for the RECORD:

AMERICAN IMPORTERS ASSOCIATION,
New York, N.Y., October 13, 1971.

To: AIA Members.

AIA NEEDS YOUR DOLLARS NOW—TO OPPOSE LABOR'S NEW PROTECTIONIST BILL IN CONGRESS AND THE SURCHARGE

If Organized Labor has its way there will be quotas on all imports on a *category-by-category, country-by-country* basis equal to the average imports for 1965–69. Each year the quotas will be changed up or down to keep the import penetration of the U.S. market at the 1965–69 level. There will be no offset for reduced imports of products which decline due to market factors.

AIA has begun a vigorous campaign on behalf of all its members to oppose this bill now before Congress; and to seek immediate termination of the surcharge. But, AIA's actions are limited by the amount of money collected so far.

One month ago, AIA asked for contributions. Many members have sent in their share of the money needed, and AIA thanks them for their quick action. However, there are many more members who have not sent in their checks.

We urge all members who have not contributed yet to do so as quickly as possible. Please read the accompanying schedule of contributions. These are the recommended *minimums.*

The threats to your livelihood are real. They are here now. Action must be taken to oppose them now. It takes a great deal of money—but if everyone contributes his share—we may be able to obtain an earlier rescission of the surcharge and stall Labor's drive for quotas.

Please send in your check today.

Sincerely,

KURT ORBAN,
President.

SUGGESTED SCALE FOR CONTRIBUTIONS

[Dollar volume of imports in millions]

Importers (including agents, retailer, central purchasing offices):

	Contributions
Under $1	$150
$1–$5	350
$5–$10	550
$10–$15	750
$15–$20	950
$20–$25	1,150
$25–$30	1,350
$30–$40	1,550
$40–$50	1,750
$50–$60	1,950
$60–$70	2,150
$70–$80	2,350
Over $80	2,550

Customs brokers: Based on number of persons handling imports in the entire company, including branches in other cities:

Employees:	*Contributions*
1–10	$150
11–20	200
21–30	250
31–40	300
41–50	350
51–60	400
Over 60	450

Attorneys: Based on number of attorneys directly concerned with imports and international trade:

Attorneys:	*Contributions*
1	$175
2	225
3	275
4	325
5	375
6	425
Over 6	475
Banks steamship lines, insurance companies	1,000

American Importers Association,
420 Lexington Avenue,
New York, N.Y. 10017.

Here is my company's share $—— of the financing of AIA's campaign against the surcharge and protectionism.

(name)

(title)

(company)

(address)

Sure, the AIA is against it. Where did all that money go? I wonder? I wonder where it went? I hope nobody left the gate open any place.

Under this kind of a trade bill, what happens? We now import things we do not need and we export the things we do need. We are shipping cowhides out of the country as fast we can bale them. We are bringing in shoes and leather products. Lost jobs in production there.

We shipped out cotton and we brought in textiles. Lost jobs in production.

The smartest operators on the face of this earth, and I bow to them for it, are the Japanese traders. They are so smart that 80 percent of their business is under the table. They do not do it up on top, because then we could understand them. We must have the greatest suckers ever representing the United States in trade deals all over the world, because no one could ever give away so much in so short a time as we have given away in the last 10 years.

We could go whole through this whole thing. I can remember in 1960, and, incidentally, to show there is no effect either way to anybody, it might interest Members to know that in 1960 on this floor I started on page 12022 and I ended up on some page around 12066.

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

Mr. DENT. Just a minute, I will be glad to.

I told the Members then what I thought. I want someone in this room to take this treatise that I gave to Congress in June 1962 and pick out the predictions that I made on trade, on imports, on jobs, and on another thing that no one took seriously at that time, the devaluation of the American dollar.

I talked about the trade surplus and the fakery of it. It is right in here and, if Members find it, any one of them, and find one place where I have not predicted exactly what happened, I will leave the Congress and go back to digging coal where I belong.

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

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

Mr. HANNA. I thank the gentleman for yielding.

I think the gentleman knows that I myself have been for a long time, as he said he was, for free trade. I am not remanding on that pledge; however, it is my firm conviction that those here in the House today are passing a trade bill without any sense of what the trade policy of this country is. They are sending people to negotiate who have absolutely no input in this administration or in this Congress as to what the aim of the negotiations should be. What are we negotiating today? What is the policy of this country in trade and agriculture?

It was not very well decided in the wheat deal.

What is the trade policy of this country in steel, in metals?

Let me give a little incident here. We are not only short in a big way in terms of trade in oil, we are short in a bad way in the trade of many things which are short, not the least of which is metals.

What we have seen with the Arab countries with oil when they are jacking up the price when we are short is going to happen in every other country that has the things of which we are short. Not only that, because we have no trade policy, we have added to our shortage.

Let me give you an example. I do not know whether any of the Members have businesses in their districts that have to use lead in batteries. If any of the Members have a factory like that, they are in trouble, because there is very little lead in this country. One of the reasons this is so is that we have no policy. The Europeans and the Japanese came and bought all of the lead used in batteries, which represented 65 percent of the lead

needed for new batteries. We have very little chance to recoup that. We have to find lead in countries that mine lead and there are only three or four left.

We have no policy that has protected our position. We have no policy that has protected our opinion. Tell me how we can go to the people of the United States and justify what we are about to do. We are going to have a trade bill when there is absolutely no trade policy.

When, oh when are we going to have some kind of economic trade policy in the sectors of our economy? When are we going to have a policy that will establish a background against which these negotiations we are talking about can take place? We all certainly have the cart before the horse in this matter.

I think it means very little to me, gentlemen, in the end, but I think some Members are going to be very sorry.

Mr. DENT. Mr. Chairman, someone said during the debate that jobs were not lost. Anyone who is interested in his State, give me the name of the State and tell me what he wants to know about it, and I will be glad to answer if he is not worried about it.

Let me read this: Hartford, Conn., typewriters, number of workers who lost jobs, 1,500; Macon, Ga., footwear, 1,200 workers affected; Hialeah, Fla., footwear, 120 workers affected; Miami, Fla., 350 workers affected. This is part of the catalog, my dear friends, which is as big as the Sears, Roebuck catalog and in finer print.

I heard one of my colleagues say that this helped the textile industry. Help it how? Here are 540 jobs lost in Joilet, Ill., affecting 200 employees. We are being flooded with shoes all over the United States. My own State of Pennsylvania was the largest shoe manufacturing State in the Union, with all due respect to Massachusetts, my friends, and we are down to 45 percent of manufacturing of shoes.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

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

Mr. TEAGUE of California. Mr. Chairman, I know the gentleman wants to be correct about the facts. He mentioned a while ago that the Japanese owned most of the celery production in California. Now, a big portion of that comes from the districts represented by Congressman PETTIS, Congressman KETCHUM, and myself. There are, we estimate, perhaps 10 percent Nisei who own lettuce farms in that district. We do not know of any, do not personally know of any Japanese capital or Japanese Nationals who are celery operators.

Mr. DENT. My dear friend, in order that we do not take the time of the House, I will be glad to send you the report and give you the background where I got it.

Mr. TEAGUE of California. Mr. Chairman, I will be very glad to have it.

Mr. DENT. I will give it to the gentleman tomorrow in fine print.

Another industry affected by our trade policy was housed in Carthage, Mo., where the main industry was marble—dimensional stone, as it is sometimes called. I wish my friend Jim Taylor was here, because I think he has something interesting to learn if he does not already know it. In 1966, the marble industry came before my committee on import impact. They testified that if they did not get relief, then they might have to close down completely. Last week, the Carthage Marble, second largest in the United States, did shut down.

Why? Let me tell the Members why. Up until a point before the passage of the Kennedy Round, we had a policy in the United States of importing free of duty and customs raw materials into the United States. Raw materials in the marble industry are considered to be "rough blocks," imported as "rough" from Italy, France, and Asia. Because marble has a different color and different texture in every vein that is discovered, and in order for anybody to be in the marble business, he must have marble coming from all over the world to meet the demands of his customers.

It is sawed, cut up, and polished. Today there is a high tariff on rough marble and a low tariff on finished marble. Today we import finished marble—and Carthage Marble is out of business, and some importer is making more money.

That is why the marble industry is down the drain.

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

Mr. DENT. I will be glad to yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, over the years we have spent in excess of a hundred billion dollars in foreign aid, and various administration people, including this one have been coming before us and saying, "You have got to help these underdeveloped nations, because no nation can exist solely as a producer of raw matrials. They have got to have an industrialized base."

Now, what is happening with the people who are negotiating these tariffs? They are turning the United States into nothing but a producer of raw materials, they are exporting our industrial base, they are exporting our jobs.

I know the gentleman is reading statistics, and I can give him a lot more to read.

When I came to this Congress, in my district there were 24 manufacturers of dishes and pottery; today there are two.

The rest of them have gone. We can take almost every industry and see that that is happening.

If we think this Nation can exist as what the people in foreign aid have been deploring as a nation with agricultural dependence, we can just let these bureaucrats in the civil service go over there and negotiate these tariffs, and we will see that is exactly what they are negotiating us into.

Mr. DENT. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I just want to document this. Of course, it is true that most of us will color a thing toward our own values, and maybe that is the proper spirit. But I try to keep mine within the lines of knowledge, to the best I can obtain.

I have tried not to lie, because I found out as a boy that it did not pay, and it certainly does not do me any good as an adult.

Mr. Chairman, more than half of the people in the United States wear shoes which were made abroad. More than half of our black and white TV sets were made abroad, and now, Mr. Chairman, 9 out of 10 of us listen to the news on radios which were made abroad and overseas.

If this energy crisis keeps up and they can build automobiles overseas fast enough, we will just have to get ourselves a microscope before we will be able to find an American-made car. What are we doing, I ask the Members? Are we watching the dimming of America? Are we exporting too many jobs? I said something a while ago, and one of the Members said it was a figment of my imagination.

Is it a figment of my imagination when we can take just simple figures and figure out the manufacturers we had in 1962 and compare them to now? When the Kennedy round came up, they promised so much; in fact, they promised half as much as this bill does, and so this bill promises twice as much. If it does twice as much damage as the Kennedy bill, then there will be many new faces in the Congress in the next 2 years.

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

Mr. DENT. I will be glad to yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, let me thank the gentleman for yielding.

First, let me say that I am not the Member who said that any of these points were figments of the gentleman's imagination.

Mr. DENT. No. It was said on the other side.

Mr. GIBBONS. I am sorry. I did not hear that.

Let me say to the gentleman from Pennsylvania that I do have a hard time following his figures and——

Mr. DENT. Excuse me. The gentleman ought to see the trouble I have with the Department of Commerce.

Mr. GIBBONS. I know that we all have trouble with each other's figures.

Mr. Chairman, when the gentleman appeared before the Committee on Ways and Means on June 14, he had an oral statement and a written statement, and this weekend I pulled out that statement and read it very carefully.

I noticed the gentleman started off his statement by saying as follows; and I am quoting now from page 4929:

> One of the things that has always been brought up and one of the hardest nuts to crack in this type of legislation is the effort to try to get people to look at this section as it is today, without relying so much on what was said or done yesterday.

Mr. Chairman, I must say that I agree with the gentleman from Pennsylvania.

Then I went on in the gentleman's statement, and I read on and on, and I got over here and I could not find any dates or any back-up of material until I got over here on page 4939 of the gentleman's statement. There I found the

first date as to footnoting, and it refers to an address made by Coler G. Parker to the National Industrial Conference Board on February 19, 1953.

Now, that was 20 years prior to the gentleman's appearance before the committee.

Then I went on to the next page, because I could not believe that was right, and the next page is footnoted in three places, and I refer to two of those three places, first on page 4940. Two of them in December 1953 and one of them in August 1953.

Mr. DENT. Will the gentleman make sure I get back the time he is using? I am a limited person, you know, from the standpoint of time.

Mr. GIBBONS. I will be glad to stop now. I did want to make some points.

Mr. DENT. You are making the point of what? That in 1953 I said something and I repeated it in 1963?

Mr. GIBBONS. These are the only things I can see where we really refer to what you are talking about now. I do not want to take up any more of your time—I did have some points to make—but I will bring them up on my own time.

Mr. DENT. That is perfectly all right. But let us understand each other. I go way back to 1953. I was thinking of this problem then. Can anyone in this room compare American productivity and American strength and American capability to produce in 1953 with 1972. Can they bring it up to date and tell me that we are in the same or in an equal position? Certainly I had to start then in 1953 because that's when we were strong in productivity and strong in technical skill and industrial might.

This is just as it happened in 1964. After 1962 when I predicted it would happen the flood of products coming into the United States wiped out our trade balance in 1964, and this has been the case ever since.

The CHAIRMAN. The gentleman has consumed 30 minutes.

Mr. DENT. I yield myself 5 additional minutes.

Mr. LONG of Maryland. Will the gentleman yield?

Mr. DENT. I am sorry. There are only two opponents I have heard on this whole floor. I know your position, and I am happy for it.

Mr. LONG of Maryland. I would just like to make a unanimous consent request.

Mr. DENT. I yield to the gentleman for that purpose.

(Mr. LONG of Maryland asked and was given permission to revise and extend his remarks.)

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the Vanik feature of this bill.

Mr. Chairman, as an early sponsor of the Vanik amendment, I intend to support the addition of the final portion of this amendment to the trade bill—the prohibition of any trade credits and credit guarantees to any nonmarket economy government which denies freedom of emigration. As now written, the trade bill prohibits most-favored nation status to nonmarket economy countries which deny freedom of emigration but allows the United States to provide trade credits and credit guarantees. This trade credit provision is much more important to the Soviet Union and therefore, much more important as a hostage to force the Soviet Union to allow Jews and other minorities to emigrate.

At the moment, the Soviet Union is allowing significant numbers of Soviet Jews to emigrate. However, this emigration represents only nonenforcement of official policy, not a change of policy.

The House should vote to prohibit trade credits and credit guarantees unless the Soviet Union allows free emigration for three reasons:

First. Free emigration is a basic human right.

Second. Soviet Jews and other minorities want to leave the Soviet Union.

Third. In view of its arms buildup and its financing of aggression in other parts of the world, the Soviet Union should not receive trade concessions in any case.

In fact, the United States should be demanding far-reaching foreign policy concessions from the Soviet Union in return for trade credits and most-favored nation status.

First, free emigration is a basic human right. Critics of the Vanik amendment argue that the United States should not interfere in the internal affairs of the Soviet Union. However, for any nation to belong to the community of nations, it must fulfill minimum requirements, and free emigration is one of those. Further, repression and harassment by the Soviet secret police continue. By voting to prohibit trade credits, we will encourage the Soviet Union to end this persecution.

Second, Soviet Jews and other minorities want to leave the Soviet Union. Israel needs the Soviet Jews who will go to Israel if free emigration is possible. Immigrants are Israel's lifeblood and are especially important since the recent Middle East war.

Third, recent actions of the Soviet Union prove that we must be more hardheaded in our dealings with the Soviets. Critics of the trade credits prohibition argue that its passage will threaten détente. However, consider the recent actions of the Soviet Union: First, in bring about a new war in the Middle East; second, in encouraging the Arab oil embargo of the United States and the West; and third, in seeking, according to numerous reports, a clear-cut superiority in the quality of ballistic missiles, rather than parity. Where is détente?

Far from easing tensions, these actions have renewed tensions between the USSR and the United States around the world. The United States will probably be forced to increase substantially its defense budget. With trade credits and guarantees, the Soviet Union will be able to continue its high weapons expenditures, boost expenditures for economic development, and ironically, exploit its fossil fuel reserves. We need not only free emigration in return for trade credits and guarantees. We need more. We were burned in the Russian wheat deal. Who wants to be burned again?

A vote prohibiting trade credits without free emigration is a clear statement from Congress that the United States should drive much more realistic bargains with the Soviets in return for economic concessions.

Mr. DENT. I am sure Mr. VANIK will be happy to hear that.

Let me just show you how we treat this game of trade. I wonder how many of you understand the phenomenon that has happened since we were a free trade oriented nation.

The phenomenon that has taken place in this country is not trade with foreigners, as much as it is trade with Americans in foreign countries. For instance, Chrysler some 3 or 4 years ago, negotiated with Mitsubishi to bring into the United States Dodge Colts made by Japanese workers. They brought in 20,000 Colts in 1971. These were Dodge automobiles. Chrysler at that time did not make 20,000 American automobiles. In the trade balances, you and I have had to read that as somewhat distorted inasmuch as Chrysler's 20,000 automobiles imported from Japan were not counted as foreign products.

As a part of its deal with Mitsubishi Chrysler won the right to sell its Valiants in Japan. However, those Valiants were assembled in Australia. So in this case; as in many, the typical multinational operation went into effect. The American based multinational corporation. Chrysler, helped a foreign country export cars to the United States, but on the other hand, the exports of the United States sold in Japan were not made in the United States but, rather, in Australia by Australian workers.

This was clearly a joint venture operated as a double-edged sword against American workers.

Do any of you really and honestly believe that this Nation can operate on consumption and distribution? Yet that is what we are doing. We are oriented to an economy based on distribution and consumption. It is a service-oriented economy. It can no more survive without the third leg than the farm wife can milk a cow on a two-legged stool. Even an old farmer back years ago discovered he had to have a three-legged stool to sit evenly on an uneven floor.

And nothing is more uneven than the economic floor of a democracy. We have our ups and downs, our levels and our high points, our valleys in production, in taste, changes in character of products, changes of desires by purchasers and merchants in what the merchants are selling. Therefore we need a three-legged stool. And what is the three-legged stool? It is production, distribution, and consumption.

Let me tell you why you have not felt the real wrath of our problem that we are creating for ourselves. I will tell you why. Because we still have a great deal of consumption.

We are the only Nation on the face of the Earth that creates its own consumption base. How do we create this consumption base? We create that consumption base by taking money from some people and giving it to others, many times

giving it to the same ones we take it away from. But we keep the market money going into the marketplace, and when it goes into the marketplace, it is a nonearned dollar. We are a high cost Nation, and we have the money to buy the goods that naturally flow here. If I felt the consumer truly benefited, my gripe would be less, but the fact of the matter is that they do not.

For instance, we bought two radios. One FM tuner from Japan that was sold there for $11 and some cents. Do not hold me to the penny, I have it here some place place in my files, but I do not have the time to dig it up, but I will show it to you. That same radio that sold for $11 and plus cents in Japan, imported into the United States, priced to the importer, tariffs, customs, and insurance added on to it, and profit, if they made any, was $13-plus, about a 2-dollar differential. The American market price that was labeled on this was $36. Where is the savings to the consumer?

We have another one that we bought for $36 in Japan, delivered to the United States through an importer, through direct connections with our people, which was imported into the United States for $54. That same product was priced in the United States, as a suggested retail price, at $156. Again, where is the savings?

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

Mr. DENT. I yield myself 5 additional minutes.

And then another foreign tuner, an FM tuner, priced at $55, sold in the United States, the cost of transportation, all of it put together, for $76, and is priced at $195 in the United States. Again, where is the savings?

Then, lastly, while I wind up in these few moments left, let me show you why we have a marketplace. I will tell you why we have a marketplace, my dear friends. It is because we have 946,080 Americans collecting military retirement. We have 28,363,000 Americans drawing social security. We have civil service retirees and survivors, some 1,214,000 Americans. Railroad retirement beneficiaries, 993,000. People on welfare, 14,806,000 Americans drawing welfare. Veterans collecting GI benefits other than for education, 350,000. Veterans or survivors collecting pensions or compensation, 4,933,627. Unemployed workers collecting as of July 1, 1973, 8,795,000. All of these workers, plus a few more who may be making marginal earnings in the United States. Let us see what they look like. Military personnel, out of the Treasury of the United States, 2,552,841. Federal Government workers, 2,833,000, that is coming out of the Treasury, that is money paid for by the remaining workers in the United States. Because every job in this country must have seed money some place. Additionally, there are:

	Fiscal year 1973—estimate
Children in school- lunch program	25,700,000
People helped under Medicaid	23,537,000
Medicare beneficiaries	10,400,000
Veterans getting hospital care	1,005,000
People receiving food stamps	12,103,000
College students, excluding veterans, getting loans and/or grants	N.A.
Adults receiving vocational education	3,372,000
Children of poor families counted for Elementary and Secondary Education Act	8,855,300

Why is it that in the coal mining town that I was born in, when they closed the coal mine, the barber could not make a living? Why did the squire have to move? Why did they close the school down? Why is it that the store left? Why did the little saloon down on the corner close up? Why did they leave? The people still needed service; they still had hunger; they still had thirst. They still had to have shoes fixed. They still had to have services rendered. Where was the seed money coming from? Answer: These source of the seed money—the coal mine—was gone.

What are we doing in the United States? We are taking seed money from the very people we gave it to in the first place. So we tax everybody, but it is diminishing return. That is why we have a national debt increase every year. That is why we have to go in before the House and say, "We are going to increase the national debt." Why do we do that? Why has every country in the world come in here and poached upon our market so that they could create jobs? The biggest fools in America now are the farmers of this country. They allowed themselves to be the scapegoats, because they have allowed themselves to be condemned in industrial centers as being those who lived on subsidy from the American taxpayer. They never got much of a subsidy. The American farmer was paid the difference between what it cost him to raise and sell his product to the American people and what we sold it to the foreign people. The money that was paid to the farmer was subsidy in fact to the foreign purchasers of American products.

We are doing it every day on many other products in this country. We sell hides at a higher price than the American shoemaker can buy them, but the foreigner can afford. We sell our stumpage at a higher price than the American lumber mill can buy it. We have closed down most of our lumber mills in the United States. Why? Because we are importing it back.

You go ahead. The Lord will not give me long enough to stay and watch and see it. But just as I walked past awhile ago when they were tallying up the last vote, I passed a group of my friends, and they gave me the hee-haw, a sort of a laughter, and they went down like this. I said I can see easily in my mind as a young man, if I had been born and reared in Rome, and I was sitting in the Coliseum, there they were, all of the genteel, all of the well-doers, with no worry about tomorrow.

So they too put their thumbs down. I ask you: Where is Rome? Is it in the northern part or in the central part of our country? Where is the dynasty? Rome fell. I will make a prediction, if it is the last one I make, and I hope to God I am wrong. If the Members pass this bill, they will either repeal it in the next 5 years or this Nation will become virtually dependent for its livelihood on foreign products.

I may say that my friend, the gentleman from Florida, thinks that I am doubletalking.

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

Mr. DENT. I yield myself 1 additional minute.

When I do, I am talking about changing facts, and everyone is worse than the last one.

I call upon the Members to not ignore the voice of labor, because that is the blood of this Nation that flows through the economic life. Listen to it. They supported the trade bill in 1962. If this bill were good, if it were to create jobs, would labor be against it today? They could not; they would not. They know what they are doing.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

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

Mr. BURKE of Massachusetts. I thank the gentleman for yielding.

I want to say this to the gentleman: I want to commend him for his excellent talk here today. I want to point out that some of these Members who are voting for this bill will not be here to vote to repeal it in a few years.

Mr. DENT. Mr. Chairman, I reserve the balance of my time.

Mr. ULLMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota (Mr. KARTH).

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

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

Mr. KARTH. I yield to the gentleman from Oregon.

Mr. ULLMAN. I thank the gentleman for yielding.

Mr. Chairman, the purpose of the trade bill is not to solve all of the problems of any nation. In the speech of the distinguished gentleman from Pennsylvania there was a great deal of reference to export matters. The Committee on Ways and Means does not have jurisdiction over export control. If it is proper, it has to come under the jurisdiction of the House here. The Committee on Ways and Means does not have jurisdiction.

There are many items of short supply in this country, but this is not the vehicle. We do not have the authority to cope with those problems.

Reference was made to investments. I know a little bit about lumber investment in Alaska. I happen to know that American industry went broke up there.

It is a "go broke" business. There is no way American capital can go up and make a living in the lumber business, and that is why the Japanese came in. But there are reasons for most of the answers that were given by the gentleman.

I thank the gentleman from Minnesota for yielding.

Mr. KARTH. Mr. Chairman, am not sure I can put all of this in its proper perspective but let me at least make an effort to do so. I have listened very carefully to most of the arguments made by the opponents today and I find some of them very interesting. It has been said on a number of occasions that if trade is important to peace, why have we been at war for most of our lifetimes?

The fact of the matter is, at least since we have had trade agreements with the developed countries of the world, that the people we have been at war with, have been those countries with whom we have not had trade agreements, and those with whom we have not been at war are those with whom we have chosen to trade. That is kind of a simple answer I guess to a very wound-up, impassioned statement on that score, but the fact is, it is true.

Timing has been mentioned, Mr. Chairman. I really do not know what the proper timing is, but I will say this. Favorable trade agreements with our friends should not be held in abeyance to satisfy our enemies. I think some of our trading partner friends are very upset and disappointed with this country, for we have in effect given more attention recently to our enemies than we have to our friends.

Mr. Chairman, why do we import substantial amounts of manufactured articles under the most-favored-nation treatment from a country like Canada? In fact we import tons of automobiles and parts, hundreds of millions of dollars worth of imports from Canada, manufactured imports on a duty-free basis. Why do we do that? There is a good reason.

The simple fact is, we must accept some of their industrial manmade products to get their raw materials. We want, no we need, their raw materials such as oil and pulp and ore.

If the gentleman from Pennsylvania had stayed here, I might even have suggested to him that maybe his steelworkers would not be working at all if it were not for the ore we get from Canada to keep his people busy making steel.

All these raw materials we get from Canada, and incidentally we import about 35 percent of the total manufactured goods from the industrialized countries of the world, from Canada. That is, about 35 percent of the total comes from our neighbor to the North. There is not an industrialized country in the world, Mr. Chairman, that is not crying for those raw materials, literally begging Canada to sell to them the raw materials Canada sells to us. Perhaps at twice the price.

Indeed we must accept some of their manmade, manufactured articles in order to get their raw materials. Frankly I do not know that I blame Canada for taking that position.

It has been said that a Toyota sells in America for about what it sells for in Japan, while a Pinto made in America sells for three times its U.S. price in Japan. I think that is essentially true, but that is what this bill is designed to correct. That is the kind of nontariff barrier we want to eliminate and which this bill gives authority to eliminate. It is one of the features of the proposed act.

Let me remind Members that what has been described most often today has taken place under existing conditions, under present law, and not under this bill.

That is why this bill is here. It has also been said by way of complaint, that this bills allows tariffs to go up 50 percent above Smoot-Hawley. The gentleman who made that statement said:

> I didn't even have enough courage to propose that in the committee.

Under certain circumstances what he said about possible tariffs equal to 50 percent of Smoot-Hawley is true.

There is a section of this bill that does, in fact, allow tariffs, if you will, to go up 50 percent above the Smoot-Hawley levels. But that argument should satisfy those who oppose the bill, for the opponents contend that this bill give insufficient protection to American industry and American workers; so under certain circumstances when industry or the worker is very seriously affected by imports, there are remedies in this legislation to take care of it. Again, another reason why the bill is here.

I wish some of those who are opposing this bill, frankly, would take the time to read it. I know it is long and I know it is difficult. I know, Mr. Chairman, it is very tough reading, but it is there.

I wish the Members who oppose it, and I do not mean this in any malicious way whatsoever, but I spent 6 months on this bill in committee. I just wish they would take a little more time to read it.

No one has recognized that, not until the 1962 Trade Expansion Act expired in 1967, Mr. Chairman, not until that time did our balance-of-trade problems begin.

Is there anyone here willing to admit, who is opposed to this bill, that may be it is because the trade law expired 6 years ago and we have not had one to replace it since? I think that is a fairly cogent argument.

More than that, let me say that in my judgment it is sound argument. I wish we had passed a trade bill in 1969, Mr. Chairman. Unfortunately, we did not, but if we had, it seems to me that all the arguments that are being raised today about this spector of imports and the terrible things that have been happening to this country, I suggest to those that had we passed a trade bill sooner those things probably would not have come about. All the grave matters we are listening to about what is happening, are happening under existing law, not under this bill.

What do opponents think we have the bill here for?

We are more concerned about it than those who are opposed to it, because we know it is easy to argue against a bill like this. Rhetoric is cheap. Facts are what you choose to make them.

Let me say to my friends who represent the agricultural community, let me say this one thing. This bill, in my judgment, particularly now since the whole agricultural production system has been changed by this Congress; that is, where the lid is off and the sky is the limit on production, the agricultural community in this country stands a great deal to gain under this bill. We know that as the standard of living goes up across the world spectrum, people want to eat more and they want to eat better. There is not any doubt in my mind whatsoever that every farmer in this country is going to produce more, because he is able to sell more, not only to Americans, but to every person in the world whose standard of living is going up by leaps and bounds. There is not any doubt about it and it is also true, of course, in industrial products. As the standard of living grows and expands in the world, there will be greater demands for industrial, manmade products.

What country is the greatest industrialized nation in the world? Who produces the most and, therefore, who is the best equipped to sell the most? I honestly think it is the United States.

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

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

Mr. DENT. I suppose the gentleman did not mean to leave the impression, and I do not believe he did, but I would like, and I will give you title by title all the contents of the bill and will the gentleman pick out for me, not now, but afterward, the difference between this bill and in how many instances in the Kennedy Round we may not have had the same thing?

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. KARTH. Mr. Chairman, I appreciate very much the offer of the gentleman from Pennsylvania. Indeed, there is a great deal of difference between this bill and the 1962 law.

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

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

Mr. ZWACH. Mr. Chairman, I thank the gentleman for yielding to me. I want to associate myself with his remarks and agree with him fully on the importance of this legislation.

Mr. KARTH. Mr. Chairman, I thank my colleague for his remarks.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

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

Mr. LONG of Maryland. Mr. Chairman, I want to say that the gentleman has made a most persuasive statement. I have gotten a great deal from it.

With regard to the remarks of the gentleman from Pennsylvania who related here for a great, long time the horrors of free trade and all the people becoming unemployed, I cannot help but wonder how on Earth during the period in which we have had this legislation that we have gained about 10 or 15 million people in employment. I cannot understand why, under the terms of the things he is talking about, why everybody is not unemployed.

However, let me point this out: I come from a district in Baltimore, a port district. If we stop buying goods abroad, I think it would have to be a pretty naive

person who would not say that we stop selling abroad. The port of Balitmore is a vast port with machine shops, ship repairing, great grain handling facilities, and all kinds of industrial production. It handles both the trade coming in and going out. I just cannot imagine how the gentleman from Pennsylvania could assume that the port of Baltimore could continue to prosper as a great industrial port if we were neither buying nor selling our goods.

Mr. KARTH. Mr. Chairman, I thank the gentleman from Maryland for his contribution.

There are as many figures and statistices as we have speakers on this subject. Let me continue if I may, for a moment. The Russian wheat deal has been mentioned and a great whoop-de-do has been made about it. Let me call to the attention of the Members that the Russian wheat deal was consummated under existing law. If opponents of this bill are concerned about some of the things that have gone on that have really despoiled the productive capabilities of this country, or whatever the problem is, I would think they would want to change the effect of existing law to eliminate those circumstances.

Let me point out to the Members that not only was the Russian wheat deal negotiated under existing law, but it was negotiated by private entrepreneurs and was not subject to congressional veto. If the Government did something like this, under this bill it would be subject to congressional veto.

For those Members who have read the bill, they know that.

Category by category, trade has been endorsed profoundly by the gentleman from Pennsylvania, and I have the greatest respect for him, but let me say that this bill provides for the first time in trade legislation, product sector negotiations—product sector negotiations. That is category by category, depending on how thin we want to slice it.

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

Mr. KARTH. Mr. Chairman, I yield to my distinguished colleague from the State of Minnesota.

Mr. NELSEN. Mr. Chairman, I just want to compliment my colleague from the great State of Minnesota for the very careful analyses he has given us of this bill. I want to compliment him on the position he has taken.

Mr. KARTH. Mr. Chairman, I thank my colleague from Minnesota.

Let me conclude, Mr. Chairman, by saying again that the major complaints of the opponents of this legislation all afternoon have been complaints about existing law; not complaints about this bill. The tragic circumstances of the conditions we are in today are because of existing law, and yet when we propose to change the law to provide our Government with an opportunity to throw out these old agreements and negotiate new ones, they oppose the opportunity to do so.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. ZWACH).

Mr. ZWACH. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding time to me.

Mr. Chairman, I will say to the Members of the House that I think it is true that our country is in some difficult times with regard to jobs and with regard to exporting jobs.

I think that if we go through the 1970's the way we have in the 1960's, we are not going to have any great 1980's and 1990's.

But I think this legislation approaches and tries to help correct this situation.

Very frankly, when I started to read this bill and I read that the President shall do this and the President shall do that and the President shall do some other thing, I was concerned, because I know, when we say that the President shall do something, we mean some flunkey or some nonface in some building down here, in the White House or the State Department, is going to do it—someone that we cannot get at by vote is going to do this or do that.

However, I do think that this trade bill has the best handle, the best congressional handle, of any trade bill that we have considered in my lifetime. I am glad to see the handle that the Congress has maintained, and I believe we have kept every possible handle that we could keep and still negotiate and carry on a proper trade bill.

As a farmer for 40 years, I approach this legislation with considerable concern, because in 1962, in the Kennedy round, we all know who was sold down the river in the 1962 negotiations. It ended up being the producers of agricultural goods. Negotiators said they were going to stand and continue to stand for agriculture as well as for industry.

But when the waters cleared, there was nothing left for agriculture, with the result that the economic market of Europe in 1969, 7 years after the 1962 act, the average levy or the ad valorem levy on industrial products in Europe was 8.6 percent.

What do the Members think was the average levy on agricultural products in the economic market? On barley and wheat, it was 120 percent of ad valorem; on corn it was 70 percent of ad valorem; on poultry products and pork it was 45 percent of ad valorem.

So, Mr. Chairman, I am rather concerned, from the standpoint of agriculture, when we get into further tariff consideration we are finding now that food is coming into its place of recognition. I think this bill will improve things.

Mr. Chairman, I wish to speak for a moment about hides. My good friend, the gentleman from Massachusetts, and my good friend, the gentleman from Pennsylvania, have been talking about the shoe industry. The real sad story about the shoe industry is that we lost it at a time when the price of hides to the American producer was almost nothing.

From 1952 to 1971, the price of hides to the American producer was only 14 cents a pound. In fact, as a farmer and a cattleman, when a cow died, I could not afford to skin it, because the hide did not bring enough of a return to pay for the labor.

We lost all of our shoe industry while the shoe manufacturers were getting the hides for nothing in America, for almost nothing.

So we must look beyond just trade agreements to see what is wrong with America. There has to be something else besides just trade agreements. If it were that simple, we would not have the problems we now have.

The problem, I will say to the Members, in America in getting our jobs back from foreign countries is much, much bigger and much deeper than just trade agreements.

So we lost our entire shoe industry. As a producer of hides, I will say to my good friend, the gentleman from Massachusetts, that there is nothing in the world I want as much as to see that the workingman, the laborer, and all of our people should benefit from those hides.

Mr. BURKE of Massachusetts. Mr. Chairman, will my good friend yield?

Mr. ZWACH. I yield briefly to the gentleman. I have a limited amount of time, so I will yield only briefly.

Mr. BURKE of Massachusetts. Mr. Chairman, I wish to point out that the Korean people who were working in the shoe factories of Korea were being paid less than 10 cents an hour for their labors, and they were working 10 hours a day, 6 days a week and, for instance, they had a 10-year-old child getting as low as 6 cents an hour.

So, Mr. Chairman, that is the thing I wish to bring out.

Mr. ZWACH. I agree. The problem is more than just trade agreements. It runs much deeper.

Let me quickly come to something else which concerns me.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHNEEBELI. I yield the gentleman 2 additional minutes.

Mr. ZWACH. I have 6,000 dairy farm factories in my congressional district. The so-called Flanagan report says that the American dairyman is going to be submerged for the export of feed grains. I think as I read the report that there are some corrections in this area. However, I am very concerned about the trade picture on agricultural products.

Let me tell you something. I do not think it is good to sell corn only or to sell soybeans only or to sell barley or oats only. It would be much better for America if we could to the extent possible produce that in the second phase and manufacture the butter and cheese and dried milk powders and pork and beef and sell it that way. That is what the other countries do.

However, it seems like the whole push in America is to sell the feed grains instead of a finished product and make nothing but great big feed grain factories out in our great Midwest. That is all.

That is not good, first of all, because it drains our real good soil and sells off hundreds of millions of tons of our best soil. It ought to go out as pork and beef and dairy products. If we sell our feed and ship back the finished product, we are making the greatest mistake in America. After the fuel shortage we will

find a food shortage here. Let us keep the food factories going in this country.

Will the chairman of the committee respond to me for just a moment? I would like to have his assurance that dairying will not be traded off unfairly or unduly in the legislation passed by this committee.

Mr. ULLMAN. Will the gentleman yield?

Mr. ZWACH. I yield to the gentleman.

Mr. ULLMAN. In responding to that question, I want to assure the gentleman that the committee was very diligent in its efforts to make sure that the dairy industry would not be traded off in any negotiations. I am sure that the House will also hold the administration to its commitment that our own dairy industry will not be the subject of negotiation unless dairy policies of our major competitors are also the subject of that negotiation. We expect the President to live up to that principle, and we expect the Congress to stay behind it.

Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Chairman, I wish to thank the chairman for yielding me this time on this bill.

Mr. Chairman, I rise in opposition to this bill.

I think the kindest comment that can be made about this bill is that it is the right bill but that it is offered at the wrong time and before the wrong forum. This bill merely continues the same policies as the 1962 act and fails to take into consideration the substantial transformation that has occurred in our international trade, where we experienced such a substantial deficit in 1972. It more appropriately should have been before the Diet of Japan or the various legislative bodies of the EEC countries. The rationale of title I, general negotiating authority; title IV most-favored-nation provision; and title V, systems of preferences, reflect the concern on the part of a nation which has such a favorable balance of trade that it is interested in encouraging more foreign imports. This certainly is not the status of trade in the United States at this time. Instead, we are in a situation where spiraling manufactured imports have eclipsed our exports and have caused serious dislocations in our economy.

The only provisions of the bill which outwardly appear to have any relevance to our trade problem are title II, relief from import injury, and title III, relief from unfair trade practices. But a close study of those two titles indicate that any relief for our current trade problem is purely illusory.

Perhaps the most insidious thing about this bill is that it appears to give something to everybody, notwithstanding the existence of the many complex and contradictory solutions being advanced as the solution to our current trade problem. In turn this appears to reflect a feeling on the part of the sponsors of the bill that the basic problem is unsolvable and the best way out is to give carte blanche authority to the President and hope for the best.

I do not share this feeling of defeatism. Instead, I submit that the Congress must address itself to the underlying problem of international trade and mandate the President to pursue certain policies within specified goals and objectives. Instead of providing that the President "may" take certain steps or is "urged" to take certain steps he should be directed to take certain action. For example, with respect to section 102 which is aimed at eliminating nontariff barriers, the President is only required to take certain action such as consulting with committees of Congress before entering any agreement to eliminate nontariff barriers after, he has made the decision to take certain action. Thus, if he does nothing how can it be said that he has not enforced the law?

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

The CHAIRMAN pro tempore (Mr. PATTEN). Evidently a quorum is not present. The call will be taken by electronic device.

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

[Roll No. 641]

Abdnor	Gray	Roncallo, N.Y.
Adams	Griffiths	Rooney, N.Y.
Archer	Gubser	Rooney, Pa.
Armstrong	Hanrahan	Rose
Aspin	Hansen, Wash.	Ryan
Badillo	Harsha	Scherle
Barrett	Harvey	Shoup
Bell	Hébert	Shuster
Bergland	Heinz	Smith, N.Y.
Broomfield	Henderson	Snyder
Brown, Calif.	Hogan	Steed
Buchanan	Howard	Stokes
Burke, Calif.	Hunt	Stuckey
Carey, N.Y.	Jarman	Sullivan
Carney, Ohio	Jones, N.C.	Symms
Cederberg	Jordan	Taylor, Mo.
Chisholm	Keating	Teague, Tex.
Clark	King	Thompson, N.J.
Conyers	Kuykendall	Towell, Nev.
Dent	Lehman	Veysey
Diggs	Mann	Waggonner
Donohue	Martin, Nebr.	Walsh
Drinan	Melcher	Wampler
du Pont	Mills, Ark.	Widnall
Erlenborn	Minshall, Ohio	Wiggins
Eshleman	Mizell	Wilson, Charles H., Calif.
Evins, Tenn.	Nix	
Fish	Parris	
Fisher	Patman	Wyatt
Flowers	Powell, Ohio	Wydler
Fraser	Reid	Yates
Fulton	Rhodes	Young, Ill.
Grasso		

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, 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. 10710, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 337 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the point of order of no quorum was made, the gentleman from Pennsylvania (Mr. GAYDOS) had been recognized and he had 7 minutes remaining.

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

Mr. GAYDOS. Mr. Chairman, I wonder how many Members of this House really know what a nontariff barrier is. Section 102 of the bill states that Congress finds that nontariff barriers are reducing the growth of foreign markets for U.S. goods and preventing the development of open and nondiscriminatory trade among nations, and "urges" the President to take all appropriate and feasible steps within his powers to reduce or eliminate them. Yet there is no definition of what constitutes a nontariff barrier in the bill. Furthermore, reference to the committee report reveals that the only specifically designated nontariff barrier is the ASP—American selling price. On the other hand the committee report indicates that nontariff barriers are "diverse," "complex," and "imbedded in domestic laws." We are led to believe that product standards are considered a nontariff barrier. What about safety standards such as the Flammable Fabrics Act or health standards such as the Food and Drug Law and the Wholesome Meat Act? Our foreign trade partners view these laws as nontariff barriers. Are we about to pass a law which gives to the President authority to supersede the Federal and State Laws which have been enacted to better protect the health and safety of Americans

The ambiguous nature of this bill is more graphically illustrated by section 102(c)(1)(2) and (3) which provides in part, that a principal objective in negotiating the reduction or elimination of nontariff barriers—

> Shall be to obtain with respect to each product sector . . . competitive opportunities for U.S. exports to the developed countries.

Not only is there no definition of "product sector" in the bill, but amazingly, the definition of this term is delegated by Congress to representatives of the executive branch, who shall prescribe such definition after consultation with private organizations. This complete absence of a congressional definition of nontariff barriers means that the Congress has forfeited its right to effectively review the administration action in the light of the intent of Congress. How can Congress challenge any action of the administration based on its determination of a "product sector" when the meaning of that term is undefined in the bill and Congress accordingly has no standard against which to compare the administration's interpretations?

Another instance of the ambiguity in the bill is found in section 122 which authorizes the President to proclaim temporary surcharges or quotas: First, to deal with serious balance-of-payments deficit; second, to prevent an imminent and significant dollar depreciation; or third, to cooperate with other countries in correcting an international balance of payments disequilibrium. This would appear to authorize the President to impose quotas, but further language provides that quotas are authorized only if trade agreements to which the United States is a party permit quotas and only if surcharges are ineffective.

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

Mr. GAYDOS. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, the gentleman is inquiring about what a nontariff barrier is. I have here a print of the committee dated May 1973 which, starting on page 54 and going over to page 176, not only refines what a nontariff barrier is, but we outline them.

It is impossible to lay out a really simple definition in this particular matter about nontariff barriers. It actually is any distortion of trade other than those distortions caused by ad valorem tariffs. This is a term widely understood in international economics and international trade. As I say, this report of the committee dated May 1973, starting on page 54 and going to page 176, is very explicit as to what a nontariff barrier is.

Mr. GAYDOS. Mr. Chairman, let me respond to the gentleman by saying that I am very familiar, as is anybody who has read it, with the report. However, I am making the specific point in talking about the nontariff barriers that appear in the bill: The report is not part of the bill. It just is another example, as I see it, in my opinion, and in my very sincere belief that we are talking about a subject where nontariff barriers should be identified in some manner within the bill. The report is of no significance at all.

If I may continue, yet section 121 of the bill directs the President to take the necessary action to bring about—

> The revision of Article XIX (19) of the GATT into a truly international safeguard mechanism which takes into account all forms of import restraints countries use in response to injurious competition or threats of such competition.

If it is the intent of Congress to have the President take action to eliminate quotas as a device available to GATT members, then why does the bill make a provision for the use of quotas in section 122? Why should Congress grant authority to the President to use quotas when another section of the bill authorizes him to seek agreement from our trade partners not to use them? At best this apparent contradiction would seem to express a built-in assumption that administration efforts to obtain an agreement from GATT members to eliminate quotas are bound to fail.

While one looks in vain in this bill for clear guidelines to be followed by the President in exercising the very broad authority granted in the bill, it is interesting to note that section 128 provides that the President shall not reduce or eliminate a duty or other import restriction if he determines it would threaten to impair the national security. Admittedly, a similar provision is in the 1962 act. But what is the purpose of this provision? Is it not proper to assume that the President would consider the effect on national security in all his actions? If there are some Members of this House who do not share this confidence in the President, how can they allow such a broad delegation of power as is provided in the bill? Or is Congress, in fact, telling the President he can do as he pleases provided he does not endanger the national security? Have not the dismal results of negotiations pursuant to the 1962 act, which was likewise devoid of guidelines, taught us the futility of granting broad discretionary authority to the President? Or does this mean that the Congress is so confused about the problem of international trade that it is incapable of suggesting any guidelines for the administration to follow? I submit that in considering the bill before is we are not being asked to legislate, but rather to abdicate to the President the constitutionally mandated power of Congress to regulate foreign commerce, and at the same time to place our confidence in the President to solve the international trade problem. The disastrous results of the Russian grain deal on our economy certainly do not inspire such confidence.

Title II of the bill would appear at first blush to offer some consolation to the American worker who faces unemployment from foreign imports, but a close reading leads to the conclusion that the reference to increases in duties, quotas or orderly marketing agreements as a means to prevent the destruction of American industry, with its resultant unemployment, are mere window dressing. What it alls boils odwn to is that adjustment assistance is advanced as the only remedy for injurious imports. With rising unemployment forecast for 1974, this is a cruel hoax to play on the American worker. It could well lead to a national disaster.

The mere fact that this bill appears to have expanded the scope of adjustment assistance is frank acknowledgement that adjustment assistance has not been effective in the past, even though no detailed general report has been made to the Congress of the results of adjustment assistance under the 1962 Act. Additionally, it is tacit acceptance of the unmanageability of our current trade policy. This means we are resigned to a policy of reacting to the instability of our trade policy rather than taking the initiative and setting as our goal our national industrial health, and preventing the occurrence of injury before it is beyond our control. How much longer do we have to follow our present policy before we are convinced of the futility of catering to the whims and caprices of our trade partners? Are we going to be here five years hence, authorizing further expansions in adjustment assistance to compensate for the destruction of American industries and the unemployment of American workers much like we are today proposing an expansion of adjustment assistance provided in the 1962 act? Do we have to wait until our trade partners have managed our economy back to a primarily agricultural economy?

If this legislation is really reform in nature and purpose it should embody a reform in the philosophy which has brought us to our current situation. This means we should establish a policy of preventing further destruction of American industry by imposing quotas in those areas of our economy where we can salvage our future. I do not suggest a turning back of the clock, but rather an approach to international trade designed to put our industry on an even footing with foreign competition and make domestic investment by American industry as attractive as investment abroad. This could be accomplished by the Burke-Hartke proposal which would set up flexible limitations on imports, which would allow an increase in imports when there was an increase in domestic production.

There are those who cavalierly say that if American goods cannot compete with foreign imports, the Government should not insulate American industry from the inroads of foreign goods. But this is a grossly misleading statement. Which of our trade partners has made such a contribution to international world peace and has provided assistance to the developing countries—and developed, such as Japan and the countries of Western Europe—as well as to the poverty-stricken nations of the world? The answer is clearly, none. Yet the cost of those international commitments is reflected in the cost of domestic production. If our trading partners would demonstrate their willingness to share in the cost of these international commitments then the apparent cost advantage they now enjoy would soon disappear. In the meantime why should we stand idly by and allow our domestic industry which is required to pay a minimum wage, to provide safe working conditions for its employees, to eliminate pollution from its operations as well as to conform to many other regulations, to be destroyed by foreign imports which are produced without such restrictions? Is it fair and equitable that American industry and American workmen should be penalized for adherence to such laws?

The American worker wants a job. He does not want an insurance policy to pay for his burial when foreign imports cause his unemployment. Yet this bill does nothing to address itself to the projected increase in unemployment. From September 1969 to September 1973 steel jobs declined from 1,378,300 to 1,330,700. For every 18 million tons of steel imported in a year, 109,000 jobs could have been created. Further, based on energy supplies of 90 percent of last year the steel industry forecasts a loss of 65,000 to 70,000 jobs. The auto industry forecasts a reduction of 10 percent in car sales next year, and the aerospace industry predicts job losses in 1974. And yet in spite of all this are asked to approve of legislation here today which would only make worse the unemployment, while at the same time we are exporting our raw materials for production abroad.

Some people may find comfort in the latest report of the Department of Commerce which indicates that for the first 10 months of 1973 exports exceeded imports by $680 million, whereas for the comparable period of 1972 imports exceeded exports by $5.23 billion. But it must be realized that this change resulted from the dollar devaluation and a substantial increase in agricultural exports. Actually if our agricultural exports remained level with 1972, the trade balance for the first 9 months of 1973 would have amounted to a deficit of $5.6 billion. Can we count on such substantial increases in agricultural exports to continue in the future to bring about

trade surpluses? I certainly do not disapprove of such substantial increases in our agricultural exports, provided they do not cause a disruption to our economy, such as resulted from the Russian grain deal. But I strongly feel that it is a fallacy to depend on such further substantial increases in our agricultural exports to solve our foreign trade problem. Such continued increases would require a continuation of worldwide weather conditions adverse to the agricultural production of our trade partners. This is to say at least an untenable assumption.

Furthermore, I doubt if the American housewife views with much enthusiasm the continuation of substantial increases in agricultural exports when she sees the results of these increases in the spiralling food costs at the supermarket. Of course increased agricultural exports are no benefit to the unemployed worker who at the same time sees his job lost to foreign imports and must face the prospect of higher food costs for his family.

The present energy crisis may be a blessing in disguise if we heed the lesson it can teach us. If instead of increasing our dependence for oil on foreign sources, we had pursued a policy of developing domestic energy sources, we would not now be experiencing the serious dislocations in our economy. If we do not wish to disregard the lesson of the present energy crisis then we should engage in a true reform of our trade policy and establish a goal of never again becoming so dependent on foreign imports that a cessation of them would jeopardize our economy. This means we should immediately take the necessary steps to prevent foreign imports from destroying our domestic industry, thereby allowing foreign countries to acquire control of vital segments of our economy, and seriously endangering our national security.

Unfortunately the bill before us does not address itself to this problem, nor does it make any attempt to prevent such a situation from occurring. Instead let us not ignore the message of the bill before us. It speaks out in loud and clear language to the American worker telling him that he can look forward to the remote possibility of qualifying for adjustment assistance. Will this Congress condemn the American worker to such a future?

This bill represents a betrayal of the American worker. I can have no part in deception, and I ask my colleagues to vote against this legislation.

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 minutes to a member of the committee, the gentleman from Michigan (Mr. CHAMBERLAIN).

Mr. CHAMBERLAIN. Mr. Chairman, I thank my colleague for yielding to me. The reason I ask for this time is for the purpose of making some legislative history here. I direct a question to our colleague from Oregon, the distinguished acting chairman of the Committee on Ways and Means.

I would like to inquire if under escape clause investigations, the Tariff Commission determines whether imports of like or directly competitive products are seriously injuring a domestic industry and makes recommendations for import relief where appropriate. I understand that specific products within a general product category are excluded from import relief recommendations when the specific products are not themselves contributing to the injury of the domestic industry. I also understand that the President, in framing any import relief he may decide to provide, makes a similar exclusion. Is it the gentleman's understanding that the escape clause will continue to be interpreted and applied in this manner?

Mr. ULLMAN. Will the gentleman yield?

Mr. CHAMBERLAIN. I will be happy to yield to the gentleman from Oregon.

Mr. ULLMAN. I will say that that is certainly my understanding and the understanding, I think, of the committee. In any import relief action the President certainly can exclude any items that are not competitive.

Mr. CHAMBERLAIN. I thank the chairman for responding to my query.

Mr. MICHEL. Will the gentleman yield?

Mr. CHAMBERLAIN. I am pleased to yield to the gentleman.

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

Mr. MICHEL. Mr. Chairman, this trade bill is landmark legislation and deserves our wholehearted endorsement.

For several months the Ways and Means Committee thoroughly investigated, debated, and prepared this legislation which will permit the United States to fill its leadership role—a role we have vigorously filled since 1945—in seeking economic peace and prosperity among nations.

The Trade Reform Act of 1973 is sound and reasonable legislation. It strikes an unusually strong balance between Executive leadership and decision-making on trade matters, and appropriate congressional concurrence.

The President is given authority to relax or impose several measures in negotiating trade agreements with our trading partners. However, this is only done within a framework of consultation with the Congress.

This legislation can represent a significant gesture to the world that the United States does not intend to retreat from leadership in building a freer world economic system; does not intend to artificially isolate itself from a rapidly changing world; is not afraid to compete with the products and services of other countries on an unburdened basis; and is willing to pursue a more open and freer economic system.

The pursuit of trade reform legislation has not been easy. Since 1967, when the President's authority to negotiate trade agreements with our partners expired, we have time and time again attempted to find a legislative answer to the trade question.

Mr. Chairman, we have gone through periods which seemed to indicate that the United States could, in fact, ignore the needs of free world trade and live within its own self-abundancy.

How foolish it is to believe for one moment that this is the case in 1973. To pay for our increasing number of vital imports, such as oil and iron ore, we need the income derived from a healthy export-conscious economy. We can only achieve this balance if the atmosphere of world trade is unburdened and free from artificial constraints.

The Trade Reform Act is the method to achieve this balance by giving us the ability to sit down with our trading partners and mutually work for the reduction of trading barriers, such as excessive tariffs, quotas, unrealistic product requirements and other impediments to an open economic system.

Some Members expressing themselves vocally here this afternoon are fearful that legislation which improves and strengthens our position to negotiate trade agreements will be injurious to our economy because, by allowing imports, domestic industries and workers will be displaced. These same people feel that restrictions on our ability to compete abroad will somehow help strengthen our economy. Apparently, they feel that regulating the natural flow of goods and services between nations into stagnancy, is good.

In reality, we have factual examples that international trade, conducted in an unburdened manner, is directly beneficial to the United States.

I am fortunate that in my district one of the Nation's leading exporters, and one of the world's most successful multinational corporations, makes its home.

Over the years I have served in the House, I have watched this company increase its activity in worldwide markets, and have observed firsthand the benefits this has had on my State and the Nation.

Their employment has grown by the thousands in response to serving markets throughout the world—markets that were penetrated by a balance between growth at home and the operations abroad.

Exports, generated by overseas sales, have returned billions of dollars to this country which have contributed to the positive side of our balance of payments. Wherever this company have constructed facilities abroad, exports from the United States to that country have increased dramatically. We have some very good figures to back up what I have just said and will attempt to include these in our extension of remarks.

Anyone else who would take the time to examine their contribution to world trade, could only come to the conclusion that it is a direct benefit to the U.S. economy.

And among American firms, their experience is not unique.

The history of American trade is strong evidence of our productiveness and ingenuity as a free country. While there are isolated examples of some industries being injured by imports, the sheer weight of evidence indicates that as world trade volume has increased, unemployment has decreased.

Figures indicate that unemployment in the United States is at an alltime low while world trade is at an alltime high.

Is this, then, the time to retreat from our traditional leadership role in pursuit

of an unburdened world economy? Definitely not.

The bill before us today recognizes that there may be occasions when domestic disruptions may be caused by developments in trading patterns. If this does occur, the bill provides for protection to workers and relief measures which insure that the injured will have appropriate compensation while securing other forms of employment.

That is why I say this legislation is reasonable. It recognizes that the way to international economic progress is paved with understanding between countries, arrived at through a process this House cherishes—that is, through give and take, through negotiation, through compromise. But it also recognizes that problems can occur. That is why the bill includes a provision to protect sectors of our economy injured by imports, and provides assistance to workers and firms who may have also suffered.

Mr. Chairman, with respect to the serious question of trading relations with Communist countries, I do not intend to enter the argument of whether or not trade reform legislation is the place to address the domestic-social policies of another country—but I surely would be remiss if I did not point out that I feel the action taken by the Ways and Means Committee to limit the extension of most favored nation status to only those countries which do not place restrictions on emigration is most adequate to indicate the mood of this Congress to the Soviet Union.

I firmly believe that any other form of penalty to trading with the Soviet Union—such as that proposed by Mr. VANIK—would not help those within the Soviet Union that it is intended to help—but only serve to make their plight even more severe, and serve to upset the progress made between the United States and U.S.S.R. on the diplomatic and political front.

The President and his representative are at a sensitive juncture in their efforts to reach a just and lasting peace in the Middle East, and thus once more proving that the détente between the Soviet Union and the United States is for real. I do not believe we should undermine their honorable efforts.

The Trade Reform Act of 1973 will be a useful tool. It will serve as a tool to pursue agreements on trade matters between ourselves and our trading partners. Our negotiators at Geneva at the historic international talks on trade and tariffs need this legislation now to indicate the integrity, seriousness, and commitment of the United States to continue the job that was started in 1945, to rebuild an orderly international economic system.

There are a lot of other reasons why this bill should be approved as it is, without any debilitating amendments.

Reasons such as our favorable trade balance, largely assisted by the realinement of currencies brought on by U.S. leadership, indicate the time is appropriate for additional improvements in economic relations.

Reasons such as our need to seek trade agreements so that we will continue to have access to resources we vitally need as a country—petroleum, iron ore, bauxite, timber, copper, and countless others.

Reasons such as that if we do not penetrate successfully markets of Eastern Europe, our competitors will, thus further shackling our ability to enhance our national potential.

But I believe the central reason is that we should not retreat from a leadership position that has been constructed over several years on the dedicated service of many Americans who were determined that the world economic stagnation, and depression of the 1930's—and its contribution to World War II, should not happen again. I am of the belief that an open, free economic system is the basic requirement for peace and understanding between nations.

We have nothing to gain but reprisal and consequent decline in our national health—if we turn down the road of economic isolation and market protectionism.

The option is the road to a world trading system based on trust, confidence and peace among nations.

I believe the Trade Reform Act is the opportunity to maintain the leadership needed to achieve these goals.

Mr. Chairman, I support this bill enthusiastically and sincerely hope we will pass it within the next day or two without doing any serious harm to its content during the amending process.

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Chairman, with respect to paragraph e of the bill on page 123 beginning with line 13, this provision is entitled, "Temporary Provision While Negotiations are in Process." In all due respect to the work of the committee, it seems to me that with this one provision the committee undoes all that the other amendments to the countervailing duty provision would accomplish.

As I am sure the gentleman is aware, there has been a failure to administer and apply this provision and to countervail against subsidized exports to this market over the years. Can the gentleman tell me why this subparagraph e should not be removed from the bill?

Mr. ULLMAN. Will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman.

Mr. ULLMAN. The gentleman is correct that the committee amendments are certainly directed at assuring that the countervailing duty provision will be administered as has been intended by the Congress in the past, and that the Secretary of the Treasury will no longer be able to ignore petitions for action under this provision. I would point out to the gentleman that the amendments do require the Secretary of the Treasury to act within a 12-month period on bona fide questions of subsidized exports to the United States. Further, the amendment would make duty-free merchandise subject to the countervailing duty provision if such subsidized exports are found to be injuring a domestic industry. Just as important to the gentleman is the reaffirmation of the right of domestic producers to judicial review of negative determinations by the Secretary of the Treasury under the countervailing duty provision.

With these changes it was recognized that cases under the countervailing duty provision could be brought before the Secretary which if acted upon could seriously jeopardize the forthcoming multilateral negotiations including negotiations on an agreement to define justifiable and unjustifiable export subsidies. Thus, the Committee agreed that the Secretary of the Treasury would have the discretion for a period of 4 years not to impose additional duties if he finds on the basis of advice and information from appropriate agencies that such action would be likely to seriously jeopardize the negotiations. Further, the period would be reduced to 1 year with respect to products of facilities owned or controlled by a developed country if the investment in or the operation of, such facilities are subsidized.

I think the gentleman will agree that the previous amendments we discussed are in the interest of our domestic producers who are concerned with subsidized exports to the U.S. market. The permanent change in the legislation with respect to the requirement that the Secretary act within a 12-month period and with respect to judicial review are far more significant than the temporary period of discretion granted the Secretary under certain circumstances for purposes of obtaining an international agreement in the area of export subsidies.

Mr. QUILLEN. I thank the gentleman.

Mr. SCHNEEBELI. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. PETTIS) a valued member of our committee.

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

Mr. PETTIS. Mr. Chairman, I would like to draw the distinguished acting chairman's attention to a provision of title II of the bill. I refer to the so-called escape clause provision under which the President is authorized to provide import relief after the Tariff Commission has made a finding of injury to a domestic industry. In section 202(c) certain considerations are set out which the President shall take into account in deciding whether to provide import relief. Included among these is "geographic concentration of imported products marketed in the United States." The fact that this consideration is explicitly set out in the legislation as a guide to the President indicates that the Congress is instructing the President to be mindful of the geographic concentration of imported products and their impact on domestic industry in that geographic area. Is my understanding correct in this regard?

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield, the understanding of the gentleman from California is correct. The language which the gentleman has referred to in section 202 defines a congressional policy to guide the President in the exercise of his authority under title II.

Mr. PETTIS. Is not my further understanding correct that the Tariff Commission, in making its findings under the escape clause, would take into account

and report to the President on considerations which apply to the exercise of Presidential authority? Thus, in the case I cited, the Tariff Commission, under section 201, would consider and report on the effects of the geographic concentration of imports on the affected industry in the particular geographic area.

Mr. ULLMAN. That is correct, and that information would be considered by the President.

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

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

Mr. CORMAN. Mr. Chairman, I also would like to direct a question to the gentleman from Oregon. I am concerned with some of the practices by foreign countries which were called to our attention during the course of the hearings wherein some of our exports are precluded from foreign markets even though the same types of products have ample access to the U.S. market when exported from that foreign country. It seems to me that such a practice by foreign countries of not permitting or drastically restricting exports of particular products from the United States to enter when the producers from the country involved enjoy almost unlimited access in the American market is a discriminatory treatment which our negotiators should seek to eliminate. It is my understanding that this is the type of situation which would justify action under section 301 regarding foreign import restrictions or export subsidies.

Mr. ULLMAN. Yes; the gentleman is correct. These types of unjustifiable or unreasonable import restrictions which burden or discriminate against U.S. commerce and on which other countries are unwilling to negotiate are to be dealt with by the President under the authority provided in section 301.

Mr. PETTIS. Mr. Chairman, if the gentleman would yield further, is it correct that our own producers who are being discriminated against in foreign markets even to the extent of having their products embargoed can bring their case to the President, and he is required to provide for public hearings under section 301?

Mr. ULLMAN. Yes; that is correct.

Mr. CORMAN. Section 301 provides the President with the authority to increase duties or impose other import restrictions in order to obtain the elimination of unfair foreign import restrictions on United States exports, does it not?

Mr. ULLMAN. Yes; those are the actions which the President may take if he determines that such action is required to obtain the elimination of the restrictions on U.S. exports and if other requirements of section 301 are met.

Mr. PETTIS. Could he act to restrain the imports of the similar product from the same country that is discriminating against U.S. exports?

Mr. ULLMAN. Yes; such an action could be taken in the same product area.

Mr. SCHNEEBELI. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. WHALEN).

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

Mr. WHALEN. Mr. Chairman, in the time allotted me, I would like to address my remarks to title V of H.R. 10710. This section of the Trade Reform Act of 1973 provides for a generalized system of preferences—GSP—for selected imports from the developing countries.

Under this title the President is authorized to participate with other developed countries in granting tariff preferences on the imports of manufactured and certain other products from the developing countries over a 10-year period. The GSP was agreed to in 1970 at the U.N. Conference on Trade and Development—UNCTAD. Since that time, the United States is the only OECD country which has not yet passed the necessary enabling legislation.

The United States runs a surplus in its trade accounts with the developing countries, and they are important trading partners of ours. Granting GSP will help to expand this mutually beneficial trade.

Perhaps the most compelling reason for supporting title V is the growing importance of the less developed countries to us as a source of basic raw materials and markets for U.S. exports. In this context, granting GSP will vividly demonstrate America's desire to build better relations with them. The capital thereby generated within the developing countries—as a consequence of GSP—will help provide both the means and the incentives for them to buy American goods and services. In the absence of this necessary effort, the United States could lose potentially enormous markets for our exports which the European Economic Community—EEC—countries and Japan could well exploit.

Title V, moreover, is limited in its total effect. It contains effective safeguards designed to insure that the increased trade resulting from GSP will not injure American workers and industries. In addition, title V provides that when imports of an item from an individual developing country reach a level of $25 million or 50 percent of the total value of such an item, preferential treatment is terminated.

Thus, title V should have no adverse effect on U.S. labor. In fact, the increase in American exports to the developing countries resulting from GSP could easily result in more jobs for Americans, with each additional $1 billion in exports expected to create an estimated 80,000 new jobs.

One of our goals in extending GSP is to eliminate "reverse preference" agreements between other developed countries and individual developing countries which discriminate against U.S. exports in the markets of these developing countries. Title V may not be extended to any developing country which benefits from such "reverse preferences."

In summary, title V honors the commitment made to developing countries by President Nixon in 1970. In helping the economies of emerging nations, its implementation also will expand American export opportunities and provide access to scarce raw materials. Mr. Chairman, I urge my colleagues to retain title V as a part of the Trade Reform Act of 1973.

Mr. SCHNEEBELI. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia (Mr. BLACKBURN).

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

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Arizona.

(Mr. STEIGER of Arizona asked and was given permission to revise and extend his remarks.)

Mr. STEIGER of Arizona. I appreciate the gentleman's yielding. I am aware of the content of his remarks. I have discussed them with him at great length, and I wish to associate myself with them. They are going to be very refreshing, following a good deal of the misinformation and lack of accuracy we have heard here today.

I welcome his remarks.

Mr. Chairman, the heart of the controversy over the Trade Reform Act of 1973, and the subject which I wish to address myself to in the brief time available concerns title IV of the bill dealing with "trade relations with countries not enjoying nondiscriminatory treatment." The central question in this section is whether the United States is going to grant most-favored-nation privileges and tax-supported credit guarantees to the Soviet Union and other nonmarket economies.

In the bill, freedom of emigration is quite properly asserted as a minimal prerequisite, and I emphasize, minimal prerequisite, to the extention of most-favored-nation status to any nonmarket economies. However, no such limitation has been placed on the extension of credit guarantees; in this aspect I believe the bill is seriously deficient and must be changed here on the floor.

Quite clearly, the entire trade bill, and particularly title IV, represents critical aspects of the conduct of American foreign policy. While most of the bill is needed for the progress of negotiations with our trading partners in Western Europe and Japan, the principle impact of the provisions of title IV falls upon the Soviet Union. The extension of trade concessions to the Soviet Union have been promoted as part of the broad policy of détente being pursued by the administration. Given the actions by the Soviet Union this past year, the Congress would be extremely negligent to grant further concessions without qualifications.

Even while proclaiming détente with the United States, the very same Soviet leaders have simultaneously announced their continued devotion to an "anti-imperialist" foreign policy including support for the so-called "national liberation" movements. In his acceptance speech for the Lenin Peace Prize on July 12 of last summer, Leonid Brezhnev stated that with détente accomplished, it was necessary "to further tighten the

socialist community and to develop our relations with national liberation forces and with the young states of Asia and Africa, fighting for their independence." Apparently Brezhnev then fulfilled the Soviet version of the meaning of peace prizes by supplying the arms necessary for the Arab nations to launch attacks against the State of Israel in October. Obviously, the Soviet Union knew the attacks were about to commence as they not only withdrew their embassy personnel from the area, but also prepared shipments of materials to the Arab nations for immediate airlift once the hostilities began. The desire for a strategic breakthrough in the eastern Mediterranean clearly superceded the previous pledges of the Soviets to consult with President Nixon in order to prevent the outbreak of war. Détente is being credited with having ended the Yom Kippur war in effect when the war was precipitated, but was any other policy than détente.

A certain eeriness of timing seems to accompany the consideration of the Trade Reform Act. You may recall that it was during the Yom Kippur war that the bill was last scheduled for consideration but was abruptly postponed with the fear of allegedly anti-Soviet repercussions emanating from the Congress. Now, just this month, as we take up this measure, we are considering also a proposal to extend $2.2 billion of assistance to Israel in order to replace losses incurred during the war. I need not point out that such enormous losses were due to the use of the most advanced Soviet millitary equipment which had been sent to their Arab allies. Now, in a lengthy statement just last Thursday on the oil crisis, the Communist Party newspaper, Pravda, stated that the oil embargo of the Arabs "supported by the U.S.S.R. has succeeded in creating a lasting antagonism between the United States and the other industrial powers, Europe and Japan."

As the economies of the Western world are rapidly being brought to a halt through the foreign policy machinations of the Soviet Union, it is hardly appropriate for the United States to provide credit guarantees in order to promote Russian economic advancements. The American consumer still is suffering from the higher food prices engendered by the massive sale of wheat to the Soviet Union on credit this past year. The extension of credit to the Soviet Union for massive sales of materials in the future will undoubtedly have the effect of even further raising interest rates in the money markets of the United States. Even now consumers cannot afford to borrow money for home mortgages.

In light of historic evidence, it would be wiser to demand from the Soviets cash payments to the maximum possible extent. By denying them easy term credits, which in reality is economic aid, we can force them either to pay us in gold or sell their gold and pay us in U.S. dollars. From this, we would have a two-fold benefit: One, the soaking up of Eurodollars; and two, an immediate improvement of our balance-of-payments problem.

The Soviet Union's strategic rationale, which is behind their present policy of extension of international economic relationships, is based on three objectives. Namely, to obtain from the United States and developed nations of the West, advanced technology, industrial know-how, and massive credits necessary for the buildup of their economic base in which the military/industrial complex predominates.

Let us stop playing the Soviet kind of game, providing them with what they need in return for nothing, and let us get down to the serious business of extracting concessions. The essence of trade is that each side seeks something it wants. The side that is most eager to acquire benefits from the other must make the larger concessions—that is, pay a high price. We should demand from the recipient Soviet Government that it declare a moratorium on dumping, adopt above-board marketing methods, invest in export industries, create dealer and service agencies abroad, make their ruble convertible, join the International Monetary Fund, drop the secrecy about free exchange and gold reserves, develop confident relationships with U.S. business firms. This last would require protection of U.S. property rights, whether in the Soviet Union or outside the Soviet Union, and honest dealings under the patent laws.

We must prevent American credits in the Soviet economy from being defacto subsidies for increasing military development and the financing of subversion abroad. We can do this by including language in this bill which would prohibit taxpayer-backed credits and credit guarantees to the Soviet Union. I urge my colleagues to support such an amendment when it is offered.

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

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

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

Mr. STEELMAN. I thank the gentleman for yielding.

I want to compliment the gentleman for taking this time. I think this is an important piece of legislation in that it does expand this country's trade with other countries of the world. I hope that we will be discriminating in the source of new arrangements that are made with the Soviet Union, especially with regard to credit in this title IV with relation to the trade status.

I compliment the gentleman and wish to associate myself with his remarks. I have discussed these remarks with him in advance.

Mr. Chairman, the Trade Reform Act of 1973 has been before the Congress and under close public scrutiny for many months now. Like most of my colleagues, I believe that continued close commercial relations with our major trading partners in Western Europe and East Asia requires that we act expeditiously on this measure. Little doubt exists that aside from the controversy engendered by the proposed changes in the trading status with the Soviet Union and other nonmarket economies, the bill could have been acted upon long ago. Extensive deliberations and a clear consensus of opinion now exists concerning title IV of the act dealing with "trade relations with countries not enjoying nondiscriminatory treatment." Therefore, rather than deleting this section of the bill as some have proposed, and thus embroil us all in the same turmoil at some later date, I believe that we should act upon that section and the entire bill this week.

Critics of title IV have properly expressed their concern with the relationship between this section and the numerous disconcerting policies of its chief beneficary—the Soviet Union. However, by relating any trade concessions for the Soviets to freedom of emigration, it is possible to strongly encourage the liberalization within Russian society that we all desire. In this manner the choice is clearly left up to the Kremlin leaders whether they want nondiscriminatory trade treatment—most favored nation status—more than they need the continued confinement of their people. By virtue of placing a progressive head tax this past year on each individual leaving their country, the Soviets explicitly sought to use people as an exportable commodity. Though suspended after extreme pressure from the rest of the world, the law remains on the books ready for reimplementation. If such laws are to be permanently abolished and other restraints upon the people are to be removed, then we must vigorously encourage the Soviet leaders to move in this direction. Thus if we are to allow material goods to pass freely across international boundaries, then we should certainly require that human beings be allowed at least an equal opportunity in their ability to move.

The Soviet Union does not currently enjoy most favored nation status and might decide that lifting their embargo on people represents too great a threat to their closed society to warrant the benefits accruing from freer trade. Under the bill before us only the extension of most favored nation status is dependent upon a prior acknowledgement of the right of emigration. Consequently, we must also prohibit the extension of credits to the Soviet Union unless there is a similar guarantee of freedom of emigration.

The Soviet Union needs access to our sources of credit for more than access to our markets. In fact, if the Soviet Union continues to restrict emigration and their products are denied access to American markets, then the demand for credit may rise even higher than it might have otherwise. Even with their limited trade with the Western nations, the Soviet Union amassed a $1.3-billion trade deficit in 1972 and a cumulative foreign debt of $8.5 billion. Both figures are expected to rise substantially by the end of this year. Under both the economic and political circumstances, the guarantee of any credit to the Soviet Union is highly questionable, but to do so without any reciprocal actions is completely unjustified.

The extension of credits, much more than most-favored-nation status, provides a tremendous boost to the Soviet

economy. As we all know, just this past year the United States salvaged the Soviet Union from one of their regular agricultural disasters. The grain deal that so drastically raised our own food prices was largely based on credit. Not only did we not have the quantities of food available for the deal, but with the prime lending rate hovering around 10 percent, we clearly did not have surplus capital available for credits. Money is in just as short a supply now as then. Extensions of credits to the Soviet Union amount quite simply to a form of economic aid to the same country we spend billions of dollars to defend ourselves against.

Thus, prior to any further economic assistance through lucrative trade agreements with the Soviet Union, we must have some substantial evidence that we are not simply further strengthening a government suppressing their own people or possibly using the benefits of our trade for the promotion of international instability. Only if the Soviet Union openly announces and adheres to freedom of emigration will we have at least a minimal assurance that some trade concessions fro mthe United States are justified.

Mr. BLACKBURN. Mr. Chairman, I rise to speak in support of the Vanik-Mills amendment and the extension of the Vanik-Mills amendment to include a prohibition of generous credits and credit guarantees to the Soviet Union. I rise in support of the Freedom of Emigration amendment because I feel that it is essential for the Congress to make known to the administration their reluctance, that many of us have—or the misgivings that many of us feel—about the present policies of the administration which are allowing the indiscriminate exportation of American capital equipment and technological know-how to the Soviet Union. There are many arguments that are being advanced for expanding of Soviet trade, and I should like in my remarks at this time to deal with some of them.

One argument we hear repeated quite often is that trade leads to peace. Mr. Chairman, there has been no substantive evidence that trade necessarily leads to peace. Obviously, a world at peace will be a world with increased trade. But that is not the same thing.

I recall prior to World War II there was a very great degree of trade between the United States and Japan, and we got a great deal of the scrap metal back from Japan that we sold to them. So increased trade does not necessarily mean increased peace.

In 1918 the cliche was advanced, "Civilize the Bolsheviks" with trade; today the cliche is "peace through world trade." On the other hand, we have had trade with the Soviets since 1919. Our armies have fought in two wars, Korea and Vietnam where the Communist side was armed with Soviet weapons produced by a military-industrial complex largely built by Western firms under the label of "peaceful trade."

Two: "The Soviets are mellowing." Again, this is a 50-year-old cliche. No substantive evidence has been produced to support the claim. Indeed, the evidence goes the other way. Wining and dining, soft words and expressions of good fellowship do not suggest change of Soviet intent. The key is whether the Soviets have decided to abandon totalitarianism.

The 1970 case of Soviet seaman, Simas Kudirka, demonstrates both Soviet intent and the spinelessness of U.S. policy. Kudirka wished to leave the Soviet Union. When the Soviet ship *Sovyetskaya Litva* was in U.S. territorial waters, Kudika jumped on board the U.S. Coast Guard vessel *Vigilant* and requested asylum. After extensive communicatons with Washington, the *Vigilant* allowed Soviet personnel to board the Coast Guard vessel, seize Kudirka, beat him and forcibly remove him to the *Sovyetskaya Litva*.

The American action was direct flagrant contravention of paragraph 23 of the Geneva Convention. Kudirka was subsequently sentenced by the Soviets to "10-year labor in a strict regime camp with confiscation of personal property." The property amounted to a mere 700 rubles and was later seized by the Soviet State. At the moment Kudirka's relatives are bravely resisting Soviet attempts to have Kudirka declared mentally incompetent and so provide a rationale to transfer him to a psychiatric hospital. Probably no other recent episode demonstrates the brutal methods of the Soviets and the bootlicking response of a once proud United States.

Congressman RICHARD ICHORD recently provided an answer to the basic question at issue:

> The Soviet Union is still a nation which allows no freedom of the press, no freedom of assembly, no freedom of religion, no freedom to emigrate to another country.

In another words, there has been no mellowing, after 50 years of United States-Soviet trade.

Three: "If we do not sell to the Russians, they will get it elsewhere." We spend $80 billion annually on a defense mechanism to protect our country against external threats. It is clear therefore that we have a very real problem with the U.S.S.R. Our relations must be based on principle, not expediency. National security cannot be subordinated to political pull or commercial profit. The tactic, "they will get it elsewhere" was first used by a few American businessmen in 1918 to get Woodrow Wilson to relax a trade embargo. So long as we have a defense problem, the only acceptable policy is to convince our allies that our trade is backfiring and subsidizes Soviet military capability.

Four: "Trade has no effect on Soviet military capability." On the contrary, the United States and its allies have built the Soviet military-industrial complex to a very significant extent and continue to subsidize it. A forthcoming book from Arlington House "National Suicide: Military Aid to the Soviet Union," outlines the 50-year story.

Five: "Those against trade are extremists and/or screwballs and or warmongers." This is the tactic of outright despair, demonstrating the lack of rational argument and hard fact. A thorough examination of the evidence—all the evidence—not just selections—will uncover a powerful case against Soviet trade. The writer considers that the arguments against trade by far overwhelms the arguments for trade, at this time.

Six: "Admittedly the Russians want our technology, but this assistance is marginal; they could do it themselves, if they wanted."

Then why do they not go ahead and do it?

Because if you make a precise detailed technical examination of Russian plants and processes, one by one, from 1917 to 1973, you find almost complete technical dependence on the West. For example, you take each Soviet truck plant in turn, identify its equipment and processes, and check the technical attributes of each Russian model against Western models. The marginal assistance argument then collapses, the degree of Soviet dependence upon Western technology becomes obvious. In any event, any college economics text demonstrates that "the sum of the margins is the total."

Soviet innovation is limited to duplication and "scaling up." Their really successful work is in pure science, not applied technology; that is, for example, the Kirlian process, the use of vitamins against cancer—the FDA forbids U.S. work along these lines—and so on.

Seven: "If the Soviets are dependent on us we can control them and we have a weapon for peace." The Russians are like most other people in this world of ours: intelligent, proud, and capable. Sooner or later the Soviets would resent the status of being a technical colony of the United States. The most important single factor that inhibits Russian technical development is its unbending statist regime. The beneficiaries of Soviet dependency are the self-appointed Soviet rulers—to maintain their political power.

Eight: "Mutual interdependence will bring world peace." This collectivist cliche omits a basic historical truth: that statist systems are the most likely to get involved in conflict.

The "Brezhnev doctrine" is explicit. The Kremlin reserves the absolute right to intervene in any Socialist state. How do you derive peaceful intent from that kind of assertion?

Unfortunately, these totalitarian political systems are quite acceptable to a few international businessmen because state monopsonistic buying programs dovetail the marketing objectives of some supre-national corporate giants. Under Hitler it was Standard Oil that benefited from cooperation with I.G. Farben in Jasco. I.G. Farben was one of Hitler's financiers. Under Brezhnev, it is Occidental Petroleum cooperating with Amtorg, the Soviets foreign trade agency.

A recent article in Human Events—July 21, 1973—calls attention to the peculiarly successful history of Mr. Armand Hammer, the president of Occidental Petroleum, of his dealing with the Soviet Government over the past 50 years. The fact that he continues to enjoy such favored treatment from the Soviet Government is undisputed and could lead to a degree of justifiable suspicion that he is enjoying immense personal

profits all the while he is contributing to the strength of the Soviets' economy, at the expense of the American taxpayer and consumer.

There is only one road to peace. To move toward a world of voluntary societies, each demonstrating by word and deed and protection of individual rights. The enemies of individual liberty will never achieve a world at peace. Neither can a world at peace be achieved by subsidizing the terrorization of Russian intellectuals, would-be emigrants and the Russian faithful of all religions. Washington policymakers who brush aside these inhuman activities are not aiding the cause of peace. We cannot achieve a world at peace when foreign economic policy is covertly influenced by the ambitions of a mere handful of businessmen whose judgment is clouded by visions of huge profits.

To conclude: This administration—and specifically Henry Kissinger—has been less than forthright in release of full information about United States-Soviet dealings. But enough data is available to make clear the United States-Soviet trade as presently conducted, is a one-way blind alley.

The Soviets get the benefits, a few internationalist operators—such as Armand Hammer and Cyrus Eaton—get the cream of the order-book action, and the weary American taxpayer is expected to contribute the subsidies and the credits—at 6 percent, yet—and then guarantee the losses. We may find that when the "Great Debate" takes place, support for trade with the Soviet Union will join wheat and soybeans to become another scarce commodity.

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

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

Mr. KEMP. Mr. Chairman, the gentleman from Georgia is making an excellent point and one I would like to associate myself with. Also I would like to point out that if people will look at the statements emanating from Soviet Russia today by such distinguished people as Alexander I. Solzhenitsyn and Andrei D. Sakharov, they will see there can be no effective change in Soviet foreign policy until there have been changes in Soviet domestic policy.

The gentleman from Georgia is going to the heart of the question. I appreciate his leadership on this issue and I do associate myself with his remarks.

Mr. Chairman, the Trade Reform Act of 1973 being considered this week is one of the most significant pieces of legislation to come before this House this session.

Most of the debate surrounding its provisions on trade with the Soviet Union has focused on the terms of that trade, not on the efficacy of such trade per se, and such efficacy, I suggest, ought to remain open for debate, both within this House and throughout the Nation.

What are some of the possible dangers in a significant expansion of trade with the Soviet Union?

First, indiscriminate trade may jeopardize the security of the United States. There can be no trade in commodities of actual or potential military application.

Second, trade is not a simple commercial concept when dealing with the Soviet Union, for American firms will be trading not with private firms nor individuals but rather with the State itself or with State-controlled instrumentalities.

Third, trade, even in nonstrategic goods, can permit the Soviet Union to divert requisite consumer production to military production, as consumer type commodities are provided through trade and not internal production.

Fourth, trade must be on terms which strengthen the U.S. dollar. Today, the American taxpayer is paying 7.75 percent interest on dollars borrowed by the Government of the United States for the extension of credits by both the Export-Import Bank and the Commodity Credit Corporation and the extension of credits to the Soviet Union by Eximbank and CCC at 6 percent means.

The American taxpayer is subsidizing the balance of that interest—or 1.75 percent.

The Soviet Union wants credits—credits underwritten by the American taxpayers—as conditions of trade.

Fifth, the Soviet Union, by sometimes disregarding ordinary patent conventions or treaties, seeks to buy prototypes for copying purposes.

Sixth, trade with the Soviet Union, by relieving that Nation of economic and domestic political burdens, discourages, rather than encourages, internal reform of the government or the economy.

Seventh, American businessmen are not starved for world markets and can seek more non-Communist foreign markets.

In summary, if we are going to permit trade with the Soviet Union or any other Communist country, we had better be sure that we are getting something we want—either in the form of physical resources or raw materials for production; or something intangible, like an expansion of the rights of their citizens; or in engendering a meaningful structural change in the domestic, policymaking institutions of societies. James Burnham, whom I quote hereafter, has made the point that there can be no real détente without changes in these policymaking institutions in the Soviet Union and a general opening up of the intellectual and political climate within the U.S.S.R.

This should, therefore, be a goal of our foreign trade policy.

One of its most important provisions is title IV, Trade Relations with Countries Not Enjoying Nondiscriminatory Treatment.

Section 402 of this title provides that, in order to assure the continued dedication of the United States to fundamental human rights, the products from any nonmarket economy country shall not be eligible to receive nondiscriminatory trade treatment—most-favored-nation treatment—MFN—and the President shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

One, denies its citizens the right or opportunity to emigrate; or

Two, imposes more than a nominal tax on emigration or on the visas or other documents required for emigration for any purposes or causes whatsoever; or,

Three, imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice.

The denial of such MFN treatment would end on the date on which the President detremines that such country is no longer in violation of these criteria.

I have long supported the enactment of stringent requirements against conferring MFN treatment on those countries that deny fundamental human rights to their citizens.

The use of the economic power of the United States to obtain concessions from foreign nations—which concessions should result in the expansion of political freedom and the right of free expression by the citizens of those nations—ought to be an integral component of U.S. foreign policy.

The "doctrine of nonintererence," which has been advanced by those opposing section 402, holds that no nation ought to use its foreign policy in such a way as to "interfere" with the domestic policies of a second power—another country. When the United States must formally confer and negotiate with representatives of other countries, this is an understandable policy to publicly express. It is not, however, neither an accurate nor a desired doctrine. The controversial U.S.-Soviet Union grain deal shows clearly the way in which the Soviet Union was able to impact upon our domestic economy through that one trade package, for today we have inadequate domestic grain supplies for home consumption, a misallocation of railroad boxcars, a resulting rise in domestic food prices, a serious dock shortage in some ports, et cetera, and the resulting political implications arising from these economic stresses. I hope, therefore, that our foreign policymakers perceive the realities of this doctrine they espouse and its shortcomings, for trade can be an instrument—a weapon—for freedom.

The noted foreign affairs analyst, James Burnham, in discussing recent statements of Andrei D. Sakharov, the Soviet dissident intellectual and father of the Soviet hydrogen bomb, made an observation worthy of being brought to the attention of this House:

> (Sakharov) is contending that in this specific case of the presently developing relation between the existing Soviet Union and the Western nations, it is impossible to affect Soviet foreign policy in a manner of benefit to the Western nations unless there is a change in the domestic structure; that, in fact, Soviet policy without domestic changes must be a continuing and increasing danger to Western Nations.

Thus, U.S. trade policy should be directed at building a détente based on Soviet deeds, not just words.

There can be little doubt but that the trials and so-called confessions now emanating from the Soviet Union are designed with only one clear purpose in

mind: To intimidate and silence all internal criticism of the Soviet Government and to foreclose, thereby, any internal softening or normalization, for internal criticism, reason the Soviet leaders, would jeopardize extant and future hardline Kremlin policies.

That there has been substantial persecution of its citizens, particularly those who are members of minority religious or cultural heritages, cannot be questioned. Neither can its impact on the intellectual climate within the Soviet Union. In a paper prepared for the February 1971 Brussels Conference and subsequently published in the June 1971 issue of Soviet Jewish Affairs, Mr. William Korey, speaks to the well-developed body of international law on this most basic of human rights—the "right to leave":

THE "RIGHT TO LEAVE" FOR SOVIET JEWS: LEGAL AND MORAL ASPECTS

(By William Korey)

The right of Soviet Jews to emigrate to Israel has recently become a widely known part of the general human rights problem.

* * * * *

International opinion is perhaps best expressed in a study conducted by an important United Nations organ, the Sub-Commission on Prevention of Discrimination and Protection of Minorities. Entitled 'Study of Discrimination in Respect of the Right of Everyone to Leave Any Country, Including His Own, and to Return to His Country,' the 115 page document was completed and published in 1963 after three years of exhaustive research. The Special Rapporteur of the Sub-Commission in preparing the Study was the distinguished jurist and statesman of the Philippine Islands, Judge José D. Inglés.

The Inglés study is probably the most important work ever prepared by the Sub-Commission on Prevention of Discrimination and Protection of Minorities and, indeed, it constitutes a landmark in the evolution of human freedom. Its principal theme runs as follows: Next to the right to life, the right to leave one's country is probably the most important of human rights. For, however fettered in one country a person's liberty might be and howsoever restricted his longing for self-identity, for spiritual and cultural fulfilment and for economic and social enhancement, opportunity to leave a country and seek a haven elsewhere can provide the basis for life and human integrity.

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It is the contention of Judge Inglés that the right to leave is 'a constituent element of personal liberty' and, therefore, should be subject to 'no other limitations' than the minimal ones provided in Article 29 of the Universal Declaration of Human Rights.

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The UN study makes the right to leave a precedent for other rights. Judge Inglés notes, for example, that, if a person is restrained from leaving a country, he may thereby be 'prevented' from observing or practising the tenets of his religion; he may be frustrated in efforts to marry and found a family; he might be 'unable to associate with his kith and kin'; and he could be prevented from obtaining the kind of education which he desires. Thus, the jurist concludes that disregard of the right to leave 'frequently gives rise to discrimination in respect of other human rights and fundamental freedoms, resulting at times in the complete denial of those rights and freedoms.' To this the Special Rapporteur adds that for a man who is being persecuted, denial of the right to leave 'may be tantamount to the total deprivation of liberty, if not life itself.'

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The Preamble notes that the right to leave and to return is 'an indispensable condition for the full enjoyment by all of other civil, political, economic, social and cultural rights'.

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There already exists a body of international law on the subject which conforms to international opinion as expressed in the Inglés study.

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U Thant has called the Universal Declaration the 'Magna Carta of Mankind.' It is far more than a mere moral manifesto. According to leading international lawyers who had assembled in Montreal in March 1968, the Universal Declaration 'constitutes an authoritative interpretation of the [UN] Charter of the highest order, and has over the years become a part of customary international law.' As early as December 1960, the General Assembly adopted by a unanimous vote of 89 to 0 a Declaration on Colonialism which specifies that all States shall observe faithfully and strictly the provisions of the . . . Universal Declaration on Human Rights'.[9] In 1961, the Assembly again voted—97 to 0—that all the provisions of the Declaration on Colonialism including the specific reference to the Universal Declaration be faithfully applied and implemented without delay. In 1962, it reaffirmed this 101 to 0. That same year the UN Office of Legal Affairs ruled that a UN Declaration 'may by custom become recognized as laying down rules binding upon States'.[10]

A second body of international law bearing upon the subject is the International Convention on the Elimination of All Forms of Racial Discrimination. This treaty, the culmination of three years of drafting work, was adopted unanimously by the General Assembly on 21 December 1965. Article 5, paragraph d, subsection 2 provides that each Contracting Party to the treaty 'guarantees the right of everyone' to enjoy, among various rights, 'the right to leave any country including his own, and to return to his country'.

The third major international legal document is the International Covenant on Civil and Political Rights. The result of 18 years of preliminary drafting work in various UN organs, the Covenant was adopted by a unanimous vote of the General Assembly on 16 December 1966. Article 12, paragraph 2 of the Covenant reads: 'Everyone shall be free to leave any country, including his own'.

Clearly, then, both authoritative world opinion and international law consider the right to leave a country as a fundamental human right binding on all Governments.

There is a very important point which should be stressed here: The provisions of the legislation pending before us, if enacted and when put into full force and effect, will apply to the rights of all citizens of foreign nations—not only those who are Jewish but to all others as well. Further, it will be applicable to all nonmarket economy countries, not just the Soviet Union. Thus, there will be hope extended by the promulgation of these provisions to all those people who want to leave the repressive and oppressive regimes of totalitarian or authoritarian societies—a hope that the economic power of the United States will be used to better their common lot, by encouraging requisite internal reforms necessary to the receipt of continuing trade assistance from the United States—something the vast majority of these foreign countries must have.

Avraham Shifrin, a Soviet Jew and intellectual who spent more than 30 years in and out of Soviet labor camps, spoke of those countless thousands now in labor camps and of the millions of people, who want to leave, that these detainees represent:

I urge a free world outcry of revulsion against the Soviet slave labor system of the 1970s. The U.S. and its free world allies can help in two ways. First, by exposing the facts, and second, by voicing our indignation. In helping them, we shall also be helping ourselves.

Yet, Mr. Chairman, where is the recognition of this spirit as a part of our foreign policy objectives? Are we to recognize only the search for markets and dollars as the denominators of our foreign policy judgments? What is so wrong with the use of moral and ethical criteria in the formulation of foreign policy when such criteria rest upon beliefs in political and economic freedom? Is not a foreign policy without adherence to a moral standard devoid of the goals and guidelines needed for making policies in the long term interest of free men?

I suggest that the provisions of the bill pending before us provide this House—and the Nation it represents—an opportunity seldom seized to reinforce our foreign policy with these moral and ethical considerations. The substance of this debate is the fundamental rights of all men. I can think of no more worthy a goal for the Nation and, most assuredly, for the people who are its intended beneficiaries.

Sakharov summed up what he perceived to be the obligations of this Congress:

I express the hope that the Congress of the United States, reflecting the will and the traditional love of freedom of the American people, will realize its historical responsibility before mankind and will find the strength to rise above temporary partisan considerations of commercialism and prestige.

I trust, Mr. Chairman, that we, today, rise to meet this challenge.

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

Mr. BLACKBURN. Mr. Chairman, I appreciate the gentleman's observations because he certainly points up very clearly that in the absence of some structural changes within the Soviet Union, that is changes which allow a free exchange of information, people, and ideas, with the Western World, there never will be a change in the Soviet foreign policy.

Certainly, the history of the Soviet state reveals that since the establishment of the same through Bolshevik revolution, every Soviet leader, whether Lenin or Stalin, Khrushchev or Brezhnev, has maintained the same steadfast determination to ultimately dominate the entire world. The present leadership of the Soviet Union demonstrates the same objectives today as Lenin exhibited in 1917.

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

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

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding to me. I wish to compliment my colleague for bringing to the House many of these important facts about our present and past dealings with the Soviet Union. The gen-

tleman has clearly documented we need to exercise tremendous caution in any kindof dealings that we have with this Soviet slave state because, as the gentleman has pointed out, their basic doctrine of world conquest has not changed.

The Members of the House can be grateful to the gentleman for so decisively refuting the many distorted myths about "honorable" trade with the Soviet Union. The gentleman from Georgia has crushed such fables as, first, "trade with Russia leads to peace," second, "the Soviets are mellowing" third, "trade has no effect on Soviet military capability, fourth, "those against Soviet trade or extremists" under a landslide of facts. In addition, Mr. Chairman, Mr. Blackburn has thoughtfully proved that Communist Russia is a slave state for workers and our free labor country has difficulty in exchanging products and services with this type of regimented society.

In addition to the items mentioned by the gentleman from Georgia, I would like to review title IV of this legislation before us.

The stated purpose of title IV, as stated in the committee report, is the extension of "nondiscriminatory—column 1—tariff treatment in return for appropriate benefits to U.S. interests, provided such countries permit their citizens to emigrate and do not impose unreasonable financial barriers to emigration." In other words, "most-favored-nation treatment" is to be extended to "nonmarket economies" in accordance with provisions designed to insure "freedom of emigration" and protection against "market disruption." However, these provisions, as they now stand, are, in my judgment, so inadequate as devices to protect the stated concerns of the bill, that they may be regarded as virtually cosmetic.

The major deficiency in this title is the absence of any prohibition against granting credits and loan guarantees to nations which deny freedom of emigration to their citizens. Unlike the Vanik-Mills amendment, which I have cosponsored, this bill would deny only tariff benefits to the Soviets, which means that their exports, of vodka, for example, to this country would continue to be at a competitive disadvantage which would be relatively insignificant in the total trade picture.

What would be significant and effective, if we are really serious about insuring freedom of emigration, is to prohibit the extension of credits and loan guarantees to finance our exports to Russia, for without these credits and loan guarantees, the Russians would no longer be able to obtain American goods and technology of incalculable value in exchange for I. O. U.'s which are unredeemed and unredeemable.

This approach would also go a long way toward protecting other American interests in addition to freedom of emigration because it would prevent the recurrence of such massive giveaways as the wheat deal as well as the contribution of vital hardware and technology to the Soviet war effort. It might also slow down for a time the "dumping" of Soviet goods on the American market and the consequent loss of American jobs.

Additional conditions and safeguards will be needed, however, to protect against the sufficient "concessions" in the area of emigration to remove any prohibitions which may be imposed on that basis alone. If the Soviets were to allow all of the Soviet Jews and others who want to emigrate to leave tomorrow, I would still be concerned about the fact that Soviet currency is not convertible into so-called hard Western currencies. I would demand that the Soviets pay for whatever nonstrategic commodities we might sell them in gold, timber, or other commodities which the Soviets produce in abundance and which we sorely need.

I would insist that the Soviet Union provide detailed information regarding its financial condition and credit worthiness so that we might fairly evaluate its ability to pay market rates of interest on the loans which it has been demanding to receive as a condition of "détente." I would also want to find out what assurances we could obtain that the Soviets will not "dump" their goods on American markets. Such assurances are practically impossible to obtain with respect to a nonmarket economy because there is no satisfactory way to calculate the actual cost of production of goods in order to determine whether or not "dumping" has in fact taken place.

I want to emphasize that the conditions which I would impose are not designed to discourage the expansion of American exports. Rather they are only the conditions which any prudent business would insist upon and which are necessary if the Soviet Union is not to become a more-favored-nation than any of our longstanding allies, virtually all of whom are subject to the full disclosure and anti-dumping conditions of the General Agreement on Tariffs and Trade—GATT.

I strongly urge my colleagues to restore to title IV the prohibition against extension of credits and loan guarantees and to pursue other means to insure that the Soviets will not take undue advantage of our fairness and generosity in the future as they have done in the past.

Mr. Chairman, I think that the gentleman from Georgia is to be complimented for the very scholarly work he has done on this subject or trade with Communist Russia, I wish to associate myself with the thoughtful and factual presentation of the gentleman from Georgia.

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

Mr. BLACKBURN. Mr. Chairman, I thank the gentleman for his observation.

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

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

Mr. CORMAN. Mr. Chairman, I want to be sure I understood the gentleman correctly. At the beginning of his remarks, did he indicate that he will support the Mills-Vanik amendment?

Mr. BLACKBURN. Yes, I will support the Vanik-Mills Freedom of Emigration amendment in its entity, namely with prohibition of taxpayer-backed credits and credit guarantees to the Soviet Union.

Mr. CORMAN. The amendment which will be offered by the gentleman from Ohio, which I intend to support, will be concerning withdrawal of credits.

But as I understand it, the thrust of the Mills-Vanik proposals is that they are not to cut off the opportunity for trade, but, rather, to effect the emigration rights of Soviet Jewry. It does seem to me there is quite a difference.

While the gentleman has pointed out some interesting facts about how this country has been run for the past 5 years, the fact of the matter is that if title IV stays in, with the two provisions, the sole thrust of those provisions is to make an effort to assure the rights of Soviet Jewry to emigrate from the Soviet Union.

I just wondered if the gentleman is supporting title IV, as amended, or seeking to strike title IV from the bill.

Mr. BLACKBURN. No, I think it would be a mistake to strike title IV from the bill.

In fact, I am not happy about using this bill as a vehicle to handle the issue of generous credits and credit guarantees to the Soviet Union. However, many of us believe that America's national security, as well as America's best economic interest, is not being served by the present trade policies with the Soviet Union.

But this is the best and the only vehicle which is available at this time to provide also protection for American taxpayer, American consumer, and American national security.

Mr. Chairman, I appreciate the gentleman's observation at this time, because it gives me the opportunity to announce that I intend to introduce legislation before we adjourn. My legislation will deal more directly to what our trade policy with the Soviet Union should be. Should we insist that they pay cash or should they be able to obtain our sophisticated technology and capital equipment on credit underwritten by our taxpayers? Should we not carefully scrutinize the use to which they will put our technological know-how and our capital equipment? We must be absolutely certain that our Nation's wealth will not be employed to injure the vital interest of the United States.

We want to make sure that the Soviets and other Communist governments will not use our technology and capital equipment for the purpose of strengthening their military capacity. We want to make sure that the sophisticated technology and capital goods provided by us will not be used by them to create industries and production processes which would be based on slave or semi-slave labor. Because this would lead to unfair practices (dumping on their part), unfair competition to our labor and industry, and it certainly would lead to disruptive effects on our economy as a whole.

Mr. Chairman, I fully intend to address myself to those problems.

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

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

Mr. CONABLE. Mr. Chairman, I compliment the gentleman on his statement. He has obviously done a great deal of study on this issue, and he feels very strongly about it.

However, following up the question asked by our friend, the gentleman from California, I would like to ask the gentleman if he is not somewhat concerned about what might happen from his point of view if the Russians were to comply with the elimination of the emigration tax and title IV remains in.

I would like to advise the gentleman that he will have the opportunity to vote against title IV in its entirety, if he wishes, tomorrow, because I intend to move to strike title IV, and I wish to ask him to consider over the evening's deliberations to consider whether or not it might not better serve his point of view if title IV were, in fact, completely stricken from the bill, thus eliminating any possibility of such negotiation to extend the most favored nation standing with respect to both credit and tariff treatment to the Soviet Union.

Mr. BLACKBURN. Mr. Chairman, I am glad the gentleman from New York raised this question. My answer is: I have every confidence that the Soviet Government will not comply with either the spirit or the letter of the Vanik-Mills Freedom of Emigration Amendment. If they should ever let it be known that the doors of the Socialist "paradise" can be opened from the inside, the Soviet leaders would soon find themselves governing a barren wasteland.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. CONABLE).

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

Mr. CONABLE. Mr. Chairman, the stated purposes of the Trode Reform Act are twofold: first, to stimulate U.S. economic growth and to maintain and enlarge U.S. foreign markets; and second, to "strengthen economic relations with foreign countries through the development of fair and equitable market opportunities and through open and nondscriminatory world trade."

These are very broad and fundamental objectives. They envisage nothing less than the construction of a more open, more equitable, and more stable world trading system. The bill provides the basic authorities, subject to carefully defined limitations, for the United States to participate effectively in realistic trade negotiations to achieve these ends.

This proposed legislation is global in its scope. It seeks an orderly international economic order within a structure of peaceful relations. It is both appropriate and essential, therefore, that such a comprehensive bill should include provisions concerning trade with the state trading countries, in addition to the industrialized countries and the developing countries. The structure of peace will not be sufficiently strengthened if the improved trading system is limited to only one part of the world. The new world economic order must include the less developed countries and the Communist nations. We cannot ignore half the globe.

Our own trade relations with the state trading countries—the Soviet Union, the People's Republic of China, and most of the smaller Eastern European countries have for too many years lagged far behind the practices of other major world trading countries. We have seen trade with the Communist countries by our principal allies grow regularly at a rate of increase greater than the growth of world trade as a whole.

By 1971 the total of trade exchanged between East and West had exceeded $24 billion annually—imports plus exports—while the U.S. share of this trade amounted to only $600 million, or only 2.5 percent of the total. The U.S. share of world trade as a whole, was close to 15 percent. If this ratio had applied to U.S. trade with the Communist countries, our trade would have exceeded $3.5 billion instead of $600 million.

In 1972 total East-West trade—imports plus exports—topped $29 billion. The U.S. share of this total had increased to 4.25 percent and amounted to over $1.2 billion. Other important trading countries, however, were still well ahead of us. West Germany's share of East-West trade came to $5.7 billion, Japan's to over $2.8 billion, Italy's to over $2 billion, and the United Kingdom of France close behind, with somewhat under $2 billion each. The countries of the European Economic Community as a group exported close to $ billion of goods to Communist countries and imported close to $6.5 billion.

The time has long passed when the United States can afford to deny American companies the opportunity to earn needed dollars in nonstrategic trade with Communist areas. In its drafting of the Export Administration Act of 1969 and its amendments thereof in 1972, the Congress has made clear its view that with the exception of necessary limitations on strategic trade, the policy of the United States should be to encourage trade with all countries "except those with which such trade has been determined by the President to be against the national interest."

The proposed Trade Reform Act likewise reflects the objective of seeking fair and equitable trade relations with all nations, without reference to their systems of government or economic organization. This surely should be our aim if we are to have orderly international economic relations in the 1970's.

The Department of Commerce has acted constructively, within the requirements of the Export Administration Act of 1969, as amended, to remove unnecessary restraints on U.S. trade with Communist countries and to encourage actively the exploration of trade opportunities by American firms. A number of other steps have been taken as part of the process of opening up U.S. trade relations with the Communist countries. An East-West trade center has been set up in Vienna to assist American businessmen in contacts throughout Eastern Europe, a trade information office has been created in Warsaw to assist in United States-Polish trade contacts, and a new U.S. commercial office has been opened in Moscow. In addition, a Joint United States-U.S.S.R. Trade and Economic Council was established in October 1973 with broad business participation on the U.S. side. A United States-U.S.S.R. Commercial Commission was founded in May 1972 to "monitor the spectrum of United States-U.S.S.R. commercial relations, identifying and, when possible, resolving issues that may be of interest to both parties." There have been three sessions of the Commission in which a great deal of progress has been made on intergovernmental arrangements to improve the conditions for the conduct of trade. This includes in particular the conclusion of an overall trade agreement between the United States and the U.S.S.R., conditional on U.S. enactment of MFN tariff authority, and the settlement of Soviet lend-lease obligations in October 1972.

Also in 1972 a Joint American-Polish Trade Commission was established and has held several meetings to deal with trade issues, in particular to assure improved arrangements for business representation. Although there are not joint trade commissions with other countries of Eastern Europe; there have been discussions of trade matters and the reflection of interest in further trade development on both sides.

With respect to the People's Republic of China, it is encouraging that trade contacts have developed and that trade has increased so quickly after the President's trip to Peking signalized a reopening of relationships between the two countries.

These developments all indicate that the United States is well on the road toward working out a more normal trading relationship with those Communist countries that have exhibited the intent to improve relations with the United States. It is important that the United States be in a position to respond constructively in the field of trade relations. As we work to broaden the scope of our relationships with the Communist countries and to enlist their cooperation in constructing a safer and more peaceful world, we should also expand our trade and economic interchanges as a proper part of expanded normal relations across the board. Such actions to regularize our economic relations recognize a logical tie between improved political relations and improved economic relations.

The principal remaining barrier on the U.S. side to permitting nondiscriminatory treatment of trade with Communist countries is the existing statutory denial of most-favored-nation treatment of imports from all of the Communist countries except Yugoslavia and Poland. This means that the products of the Communist nations, excepting Yugoslavia and Poland, are subject to the higher 1930—column 2—rates of duty rather than the normal—column 1—rates of duty to which the products of all other nations are subject.

Title IV of the bill makes it possible to extend such nondiscriminatory U.S. tariff treatment to individual Communist countries not now receiving such

treatment on conditions which assure that there will be benefits to the United States. Thus, the bill would permit nondiscriminatory tariff treatment to be extended either through a bilateral commercial agreement or through the General Agreement on Tariffs and Trade (GATT), whichever appears the more appropriate in the case of a particular country.

Title IV provides that if nondiscriminatory treatment is extended as part of a bilateral commercial agreement, certain conditions must be met:

First. The agreement shall be limited to 3 years, subject to renewal for additional periods not to exceed three years;

Second. It must provide for termination for national security reasons;

Third. It must contain safeguard arrangements to prevent disruption of domestic markets;

Fourth. It must assure patent rights equivalent to provisions of the Paris Convention for the Protection of Industrial Property;

Fifth. It must provide arrangements for settlement of commercial disputes; and

Sixth. It must provide for intergovernmental consultations on the operation of the agreement.

The agreement may also contain other provisions that would benefit trade and would be appropriate in terms of the particular country involved. Moreover, any such agreement may enter into force only if neither House of Congress adopts a resolution disapproving it within 90 days after the President transmits a copy of it to Congress.

The essence of the carefully detailed conditions and safeguards in title IV is to create a framework within which the extension of most-favored-nation tariff treatment may be used as a negotiating device to make possible trade arrangements with Communist countries that will be of real value to U.S. trade as well as to the advancement of overall U.S. interests involving the Communist nations. This is a worthy objective. It is fully in the spirit of the President's wish, in connection with East-West relations generally, to move away from confrontation and toward negotiation in resolving international differences.

Title IV of the bill also contains provisions that condition the extension of MFN treatment upon compliance with stated standards of practice on emigration. These provisions reflect the problem faced in the Ways and Means Committee of balancing the very real importance of trade cooperation as a part of generally improved relations across the board with the desire to support free speech and free movement on a global basis. The provisions in title IV that condition the extension of MFN tariff treatment on a certification that citizens of the Communist countries can emigrate freely is intended to link these two concerns. The effect of the provisions, unless they are modified, is unquestionably to make it difficult if not impossible to initiate steps to extend MFN tariff treatment to any of the Communist countries, at least under present circumstances.

The extension of most-favored-nation treatment is a matter of great interest to the Communist countries. They wish both for reasons of national pride and for reasons of economic interest to receive equal treatment in American markets. A pledge by the United States to extend MFN treatment to the U.S.S.R was the key point in making possible the trade agreement and lend-lease settlement of October 1972. The United States-Soviet trade agreement of 1972 is in conformity with the provisions of title IV of this bill, apart from the condition respecting free emigration, but neither it nor the lend-lease settlement become definitively affective until authority to extend MFN tariff treatment is in the President's hands.

The authority to extend MFN tariff treatment to the Soviet Union and other Communist countries is essential if we are to continue in our efforts to further normalize trade relations with these countries. Normalization of trade relations is part of our objective of developing a mutual vested interest in cooperation and restraint in our bilateral relations with the U.S.S.R. We have substantially reduced the risk of direct United States-Soviet confrontation in crisis areas. The extension of MFN is essential to the full implementation of the Ocober 1972 U.S.-U.S.S.R. Trade Agreement and the lend-lease settlement. These agreements would bring benefits to the United States as well as to the U.S.S.R. and the implementation is important if progress is to be made in other fields.

The administration in 1972 on several occasions made known its support for MFN tariff treatment for Romania, a country which has shown significant independence from Soviet influence in its external relations. We have concluded a claims agreement with Hungary whose government has made considerable progress in decentralizing its economy and in relying on the interplay of market forces. Both of these countries—as well as Poland, which has had important trade relations with Western countries for many years—are now members of the GATT, and Romania has recently joined the IMF and the IBRD. The extension of MFN is an important consideration for these and other Communist countries—notably Czechoslovakia, Bulgaria, and the People's Republic of China—in negotiating commercial agreements, claims settlements, consular conventions, and other mutually beneficial arrangements.

In pure trade terms, the fact is that extension of MFN treatment by the United States is of crucial importance to the continued expansion of our own exports to the Communist countries. Our East-West trade has grown dramatically in 1972 and 1973. It is highly beneficial from our standpoint because our exports vastly exceed our imports.

From almost nothing in 1971 our exports to the People's Republic of China in 1973 will reach an estimated $850 million with an estimated $60 million of U.S. imports from the People's Republic of China. This is a favorable trade balance for the United States of 14 to 1. Such an imbalance cannot go on in the longer term unless the People's Republic of China has the possibility of earning dollars through exports to the United States on equal competitive terms with other countries.

Total U.S. exports to the Soviet Union are expected to reach about $1.4 billion in 1973. U.S. imports are estimated at about $190 million, making for an imbalance of 7 to 1 in favor of U.S. exports. The expected increase in U.S. nongrain exports to the Soviet Union from an average of about $135 million in the previous 3 years to almost $200 million in 1973 is helped by the new availability of Export-Import Bank credits and guarantees.

Even with the availability of credits for both agricultural and nonagricultural exports, however, the continued growth of United States-Soviet trade will depend at some point on Soviet ability to increase its sales in U.S. markets.

What is true of the PRC and the U.S.S.R. is also true of the countries of Eastern Europe not now receiving MFN treatment. Their purchases in the United States are running at three times their exports to the United States.

It is not only these economic considerations that argue for providing the President with now long-overdue authority to negotiate on nondiscriminatory tariff treatment with the Communist countries. It is also and even more strongly the political considerations that call for this authority.

Our relations with the major Communist powers—the Soviet Union and the People's Republic of China—are crucial to the maintenance of world peace in the future. We must be realistic in pursuing those relations. It is important to maintain our military strength so that we do not permit ourselves to be found at a disadvantage at crucial points in dealing with major problems. It is also important to test our relationships with the Communist powers by a standard of mutual commitment and mutual performance in finding solutions to problems.

I believe we have been realistic in insisting that there be responsibility in international conduct and that improved relations with the Communist powers not be exploited to weaken our ties with other friendly countries. On this basis it has been possible to make progress in many important ways in our East-West relations.

Progress on trade should reflect and be a part of progress generally with the Communist powers toward more stable international relations. It is logical and helpful that there should be a significant economic involvement of our two systems that parallels an increasingly constructive involvement on other issues. If it continues to be impossible for the United States to give final substance to the important expanded framework of economic relationships worked out with the U.S.S.R. in the October 1972 agreements, this will inevitably detract from the cooperative structure of overall relationships that we are attempting to build. Likewise, if it continues to be impossible to discuss enlarged economic relations based on the negotiation of most-

favored-nation treatment with the People's Republic of China, this will diminish the prospects for further broadening of relationship and understanding between our two nations.

The enactment of this bill containing the authority provided in title IV is therefore an essential first step in furthering the movement toward greater understanding and cooperation in our relations with all the Communist countries.

Mr. ULLMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri (Mr. ICHORD).

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

Mr. ICHORD. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise to address myself to the question of trade to the Soviet Union and specifically in support of the Vanik amendment to the Trade Reform Act of 1973. It is my opinion that it is vital for us to take the step of adopting the Vanik amendment—the only one available to us under the rule granted for the consideration of this bill—to prohibit U.S. credit to the Soviet Union until we have adequate assurances that such credit is in the best interest of this country.

Most of us entertain serious reservations about interfering in the internal affairs of other nations. We would not like it, for example, if some other nation tried to tell us how we should set quotas on those allowed to immigrate into our country each year. However, there are times when policies of certain nations are so repressive and devoid of basic humanitarian considerations that we cannot ignore them and act as if they did not exist. When we give a nation most-favored nation trade status, which allows them to sell their goods in the United States with the lowest tariff charges, and especially when we extend credit to them from the hard-earned tax dollars of our citizens we are not fulfilling a right they have but we are extending a privilege to them.

Certainly we have the right, Mr. Chairman, to withhold any or all trade or financial assistance until we are satisfied that any nation has met certain basic standards we feel all human beings should be granted by their government. The Soviet Union is a closed society which does not tolerate the slightest criticism of the state. Our papers carry almost daily accounts of Soviet persecution of intellectuals, artists, or scientists who dare to question any decision or policy of the Soviet Government.

Mr. Chairman, I am well acquainted with the arguments of those who believe if we greatly expand trade with the Soviets by granting them most favored nation and long-term credit that our example will lead them to liberalize their immigration policies, move toward a more open society in which at least minimal dissent will be tolerated, and reorder their priorities between military and civilian programs. But such an approach is to put the cart before the horse. Let us first gain some assurances that they are ready to join the family of civilized nations by abandoning policies of internal repression and external conquest. The stakes are much too high for us to take the gamble and the risk when we hold the cards.

It is rather obvious that there is something basically wrong with a society which must erect an iron curtain or any other type of barrier to prevent citizens from immigrating to another country. There is something basically wrong with a society which deprives its citizens of simple domestic goods and services while spending inordinate amounts of its GNP on military matters.

The Vanik amendment is a good amendment for a number of reasons: First of all, it focuses on a humanitarian issue that should concern all of us who believe that man has a right to be free. Second, it does not deprive the Soviet Union or any other non-market nation of any responsibility—moral or otherwise—we have toward them. Third, it tells the world that we still cling to certain residual requirements for the treatment of human beings in any part of the world which cannot be compromised with our blessing. Fourth, the passage of this amendment will give us much needed time to thoroughly examine all the issues involved in the trade question as they relate to our economic policies, national security concerns and all the rest before we plunge headlong into a venture with so many potential consequences. Things have happened so rapidly since the Moscow Summit of May 1972, I am afraid that many people have not even stopped to assess the importance of these developments. The Soviet Union has already received millions of dollars in credit not only from the Commodity Credit Corporation but also from the Export-Import bank and preliminary commitments have been made for additional millions. At the same time projects are being studied involving billions of dollars of U.S. loans along with extensive sharing of our technology especially in connection with the Soviet oil and gas deposits in Siberia.

It appears to me that long-term credit with a subsidized interest rate, which, in effect, causes the American taxpayer to pick up the tab on part of the interest on money borrowed by the Soviet Government, is a giant step that must be carefully and extensively examined by the Congress of the United States. I personally believe that it would be a breach of confidence with the people who sent us here to represent them if we did not give such a move our most extensive deliberations. Logic would lead us to the unavoidable conclusion that extension of credit to the Soviet Union will make it easier for her to continue to divert over 12 percent of her GNP to the production of military hardware. I fail to see how this could possibly be in our best interest.

I submit, Mr. Chairman, that in our consideration of the granting of MFN status and credits to the Soviet Union, we should first stop and reflect upon why we spend approximately 80 billions a year on defense. We do not spend 80 billions because of the threat presented by Cuba. We do not spend 80 billions a year because of the threat presented by Red China. We are spending 80 billions a year primarily because of the threat which the Soviet Union presents to world peace.

In view of Russia's recent action in the Mid-East war, it is difficult for me to see where Russia has changed its objective of world domination through international communism.

I am not a businessman, Mr. Chairman, as I have pointed out on several occasions. I am a lawyer, an accountant and a teacher by training and experience and having held public office for better than 20 years, some people might call me a politician. If I were a businessman, and I had a product to sell, I would sell that product to my enemy as well as my friends, as long as I received a price which I thought was mutually advantageous, or personally advantageous to me. But I will be damned, Mr. Chairman, if I would lend that enemy the money to put me out of business.

This question of trade with the Soviet Union is of such importance that I have directed the staff of the Committee on Internal Security which I chair to do a preliminary staff study on the possible threats to national security that might be involved. As far as I can determine no committee or subcommittee of this House or the Senate has done an in-depth study on the potentially adverse effects that massive trade, extensive credit and exportation of our technology to the Soviet Union could have on the security of this Nation.

I am also concerned that no one committee has been in a position to tie together the various and diverse aspects of the trade question in a whole picture for our consideration. At least nine committees of the House of Representatives have an interest in and responsibility for one or more of the ramifications of expanded trade with the Soviet Union. With this thought in mind, I am now preparing a resolution to establish a temporary special committee with representation from all of these committees to thoroughly investigate the subject and report back to the House and the respective committees their findings.

Mr. Chairman, I urge the adoption of the Vanik amendment.

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

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

Mr. CORMAN. Mr. Chairman, I thank the gentleman for yielding to me. I would view with discretion that portion of the gentleman's presentation which seems to me makes something much more out of the Vanik amendment than it really is. It has nothing to do with us looking at whether or not it is in our own interest to grant credit or grant MFN status to the Soviet Union. The single question raised by the Vanik amendment is whether or not the Soviet Union uses racial or religious discrimination in their emigration policy.

Mr. ICHORD. I will ask the gentleman from California, does he feel at the present time the President of the United States could make a finding that the Soviet Union is not persecuting its Jews by its emigration policies?

Mr. CORMAN. No, sir; not at all.

Mr. ICHORD. Then I think the question answers itself. The amendment will effectively preclude MFN status and credit being extended to the Soviet Union.

Mr. CORMAN. I want to make it clear that I support both of those. I supported the Vanik amendment in committee. I will support the amendment on the floor.

Mr. ICHORD. I understand that.

Mr. CORMAN. The truth of the matter is that I call to the gentleman's attention the fact that the only way that we take away from the Soviets the power to determine whether they are to get MFN is to strike title IV. That is why the present speech and the previous speech made a better case for striking title IV than they do for the Vanik amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. I yield 1 additional minute to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman. Let me point out to the gentleman from California that I am not opposed to trade with the Soviet Union as long as it is mutually advantageous, but I am opposed to extending them credit making it much easier for them to continue to divert so much of their gross national product to the production of military hardware. I would point out to the gentleman that even without this bill credits are being extended to the Soviet Union at the present time, and I oppose this.

Mr. CORMAN. Yes, sir.

Mr. ICHORD. The Vanik amendment will have the effect of stopping further extension of credits to the Soviet Union unless they change their emigration policies.

Mr. CORMAN. Yes, sir.

Will the gentleman yield further?

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

Mr. CORMAN. I thank the gentleman for yielding.

My point is that it is within their power to stop their discrimination.

Mr. ICHORD. I fully agree with the gentleman.

Mr. CORMAN. That is the only point I want to make.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

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

Mr. OBEY. Mr. Chairman, I make no great pretense of detailed knowledge of Soviet politics, although I did receive my master's degree, long before I got in politics, in Russian Studies. I just want to make one observation. I, frankly, am not certain whether the extension of credits to the U.S.S.R. is in our national interest or not. I suspect what they want more than anything else is access to sophisticated American computer technology which will enable them to plan in a much more sophisticated way than they have been able to do up to now. As I said, I am not sure that that is in our long-range national interest, but just as surely as I stand here, I am sure that it is not in the long-range interests of the Jews who remain in Russia for either the language in this bill or the language in the Vanik amendment to pass.

I would make the simple prediction that Soviet Jews, if the language in this bill or the language in the Vanik amendment passes, will be worse off than they are today for one very simple reason. I think one can imagine how far any of us would get if we stood on the floor of this House and said:

"Well, the Russians say that we have to change our emigration policies or they are not going to do this or that with us, or they will not deal with us correctly on the Middle East."

I think the Members know how far each one of us would get if we said:

"Well, fellows, since Brezhnev says that is what we ought to do, that is what we had better do."

I submit to the Members that Mr. Brezhnev, although his political system is quite different from ours, is in precisely the same position as a politician. I do not believe he can go to his Politburo and say:

"Well, fellows, because the American Congress dictates we have to change our emigration policy or they will not trade with us, we had better change our emigration policy."

They are not going to do it. It is going to be more difficult for Russian politicians in positions of leadership to change Russian emigration policy as far as Soviet Jewry is concerned if we pass the language in this bill, or if we pass the Vanik amendment, than if we do nothing at all.

I would simply say that it is possible I think to draft language which could take care of this problem in a more sophisticated way and still provide Mr. Kissinger with the latitude he needs to negotiate with the Russians and provide at the same time for some assistance to Soviet Jewry, but I do not believe this language does it, and obviously under this rule we have no chance of changing that language.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. STEIGER).

(Mr. STEIGER of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. STEIGER of Wisconsin. Mr. Chairman, I am deeply grateful to the gentleman from Pennsylvania for yielding me this time and I want at the outset to applaud the patience and perseverance and fortitude of the distinguished Committee on Ways and Means for their stick-to-it-iveness in being able to sit here until 6:35. I hope I am the clean-up hitter and I shall listen with renewed interest to the vigor with which the debate takes up tomorrow morning.

While I must admit every American industry has a vested interest in the trade bill now before us. I doubt that anyone stands to lose more than America's dairy farmer. The emergence from the Department of Agriculture of the so-called Flanigan report brought legitimacy to a perennial fear in America's dairy community that its rights would be "trade-off" for concessions from our GATT partners in the areas of beef, soybeans and feedgrains. While we all know the Flanigan reports is but one of many studies on the subject of agricultural trade negotiations, its "pie in the sky" philosophy has caused great concern among all of us who respect the productivity of America's farmers.

Few of us can ignore recent trends in the American farm community. Even if we had no preponderance of agri-business in our home districts, we all represent nearly one-half million price and quality conscious consumers. What we conclude here this week will have a significant effect on the future of American farmers and consumers alike.

Dairy farming, like all of agriculture, is in a convulsive state of flux. In addition to the changes that are taking place throughout agriculture, the dairy farmer is experiencing additional stresses that are compounding his problems. His production costs, especially soybean/protein supplements, have rapidly outstripped his returns over the past year. Economic stabilization actions, particularly the wage-price freeze, have severely limited his ability to recover the necessary costs of production. These factors, coupled with several recent actions to expand product imports, have led many dairy farmers to leave the dairy business because of inadequate prospects for future returns on existing investments. Recent USDA figures show that in January of 1973 milk production, in Wisconsin alone, was increasing at the rate of 1 percent annually. By September of this year, production had fallen off over 9 percent from the same time in 1972—tragic but obvious proof that the emigration crisis facing our dairy industry is a real one.

The dairy farmer faces a crisis of confidence in his market. In order for him to remain in business or for a prospective dairy farmer to make the investment needed to develop an economical facility, he must have some assurance that a stable market will exist. Otherwise, he cannot recover his cost of production, let alone expect a reasonable return.

It must be recognized that "free trade," as it is generally understood, is virtually nonexistent in world dairy markets. The European Economic Community, in particular, presently provides a very high degree of protection and assistance to its dairy producers in the form of high levies on imports and export subsidies designed to enable their produce to penetrate world markets. The list of examples is endless and outrageous:

(a) support prices of $6.79 per hundredweight on milk, as compared to $5.61 in the United States,

(b) a 38.3 cents export subsidy on butter and 37.78 cents per pound of cheddar cheese—November 1973.

In fact, last winter the EEC was so intent upon increasing their butter exports, in the hope of keeping their inefficient dairy farmers in business, that they sold 440 million pounds to the Soviet Union at 19 cents a pound. To make the sale possible at that price, the Community paid an export of more than 80 cents a pound—a 420 percent subsidization of actual sales value.

Subsidies notwithstanding, the EEC

dairy produce is not exposed to the rigid sanitary supervision of American products. As my colleague and friend DAVID OBEY has noted in the July 19, 1973, CONGRESSIONAL RECORD: over 10 percent of all imported cheese is rejected at the point of entry into this country because it is "moldly or contaminated with insect larvae, unsafe chemical substances such as dieldrin or benzine hexachloride and other assorted junk." And, to make matters worse, most dairy imports are subject to spot checks only—which means most contaminated produce from foreign countries finds its way to our tables.

European nonfat dry milk, labeled by the USDA as too contagious to feed to our livestock due to contamination with dreaded foot and mouth disease bacteria, is instead fed to the American consumer. This type of unequivocably inferior product, by law, can never come out of American dairy plants, yet certain people, including Mr. Flanigan's committee, insist on increasing European imports!

All other things being equal, the American dairy farmer has nothing to fear. If EEC sanitation standards, subsidization levels, and general dairy technology were required by law to be equal to that of American standards in order to sell abroad, the EEC would soon lose virtually every world account they now command on the mistaken premise of efficiency and productivity.

The American dairy industry does close to $20 billion of business annually. And no one benefits more from a healthy dairy industry than the American consumer. If our dairy farmer, whose average age is already over 50 years old, is allowed to continue his emigration from the farm, we may soon see the greatest American food crisis yet.

Unlike beef, pork, and cheese, we cannot import fresh raw milk. How many mothers, especially those who are already caught in the price squeeze, want to pay double or triple what milk costs today, or, even worse, force their children to go without, because there simply is no milk available. Even if the EEC or New Zealand could supply our butter and cheese needs on a priority basis, America's dairy farmer would be so disheartened that a raw milk crisis would soon be inevitable. Moreover, we must have a healthy "hard product" market to sustain the weekly fluctuations in demand for fresh milk. Without a demonstration of confidence, America's dairymen will continue to sell out and move to the cities.

During the August recess, I had the opportunity to visit at length with consumers as well as dairy farmers. The price and availability of all food products was the prime subject of concern for everyone. While many farmers had already sold out or were culling their herds, I began to realize if something were not done soon, milk would be the next food product in short supply.

Upon my return to Washington, I wrote a letter to our distinguished colleague from Pennsylvania, HERMAN SCHNEEBELI. I raised my concerns over the viability of the Flanigan report and how the dairy importation problem would be dealt with in committee markup. His response was most heartwarming. While I would like to submit the entire text of his return letter into the RECORD, I read in part:

With more specific reference to dairy, I sought and received firm assurances from the Administration that protection for our own dairy industry would not be the subject of negotiation unless dairy policies of our major competitors also were on the table. Secretary Butz specifically acknowledged, in public testimony before the Committee, "that the dairy industry has been highly protected around the world. Surpluses have built up and certain of our trading partners have resorted to large export subsidies in order to market these surpluses. In a liberalized trading situation, we would expect that these export subsidies would be terminated, thereby ameliorating much of the adverse effect for U.S. producers."

I do not regard these as empty assurances. In any case, we will have the opportunity to judge the result for ourselves, since any negotiation conducted by the Administration covering dairy would have to come back to the Congress for review and could be vetoed if a simple majority of the members of either House felt the settlement obtained failed to provide fair competitive terms for the dairy industry.

A further clarification of the administration's position was released on Friday, September 28. In a speech before the American Society of Agricultural Consultants in Atlanta, Ga., Special Trade Representative to the President, William Eberle, said, and I quote:

As to the daily question, let me say flatly that we do not contemplate trading off our dairy industry in exchange for benefits for our grain producers. . . Our dairy industry is highly productive. Surely it cannot pay to ship feedstuffs from the U.S., feed lower productivity cows in Europe, produce dairy products from those cows in Europe, and then ship such products back to the U.S. at prices lower than our domestic production without the influence of enormous subsidies and other distorting policies.

Again, I would like to submit the entire releases made by Mr. Eberle on September 28, 1973, into the RECORD.

Finally, I would like to extend my compliments to the fine presentation made by AL ULLMAN, HERM SCHNEEBELI, and their fellow members of the Ways and Means Committee on the dairy question in the committee report. Specifically, in regard to nontariff barriers, the report of the Ways and Means Committee states:

In addition, the bill includes a provision stating that the attainment of competitive opportunities for our exports in developed countries equivalent to those accorded in our market to imports is to be a principal U.S. negotiating objective with respect to trade agreements on nontariff barriers. U.S. negotiators are to seek equivalent market access and equality of treatment, as between countries, for agricultural products and for product sectors of manufacturing. To the maximum extent, feasible and appropriate, negotiations on nontariff barriers are to be conducted on the basis of product sectors to achieve this negotiating objective.

It is the committee's intention that, where feasible, competitive balance should be sought for major product sectors within industry and agriculture. Industrial product sectors are to be defined by the Special Representative for Trade Negotiations together with the Secretaries of Commerce or Agriculture, as appropriate, and after consultation with the Advisory Committee for Trade Negotiations and interested private organizations. The product sectors may be broad in scope as appropriate to best accomplish the negotiating objective.

While the bill does not specifically require the establishment of product sectors in agriculture, it is the committee's intention that, where feasible, competitive balance should also be sought for major agricultural products. Concern has been expressed that provisions benefiting our domestic dairy industry would be negotiated away in order to secure greater access for other agricultural exports, with little regard for the severe discrimination and high level of protection afforded dairy products by our trading partners. But the Administration has assured the committee that protection for our own dairy industry would not be the subject of negotiation unless dairy policies of our major competitors were also on the table.

The committee fully expects that the Administration will, to the extent feasible, use its authority to provide equivalent market access for agricultural products.

In regard to this language, let me conclude by referring to the language in the bill and the committee report on these points. As the gentleman knows, the bill requires that negotiations on nontariff barriers insure equivalent market access and equality of treatment in product sectors to the extent feasible. I would like to ask the gentleman from Oregon if my understanding of the use of the term "to the extent feasible" in the bill and the committee report is correct. I assume this means that where nontariff barriers are applicable to product sectors on both sides of the bargaining table there would be mutual give and take on a reciprocal basis with respect to these products.

With specific reference to the dairy industry, I assume this is what is meant by the statement in the committee report "that competitive balance should also be sought for major agricultural products" and that "the administration has assured the committee that protection for our own dairy industry would not be the subject of negotiation unless the dairy policies of our major competitors were also on the table."

Does the gentleman agree with this statement?

Mr. ULLMAN. If the gentleman will yield, the gentleman raises a very important point. The Committee on Ways and Means felt very strongly that fairness demanded that where we open our markets to a range of foreign goods that our producers of similar goods be given the same type of opportunity when they sell abroad. We spelled this out in the bill, in section 102, as a principal negotiating objective in the nontariff barrier area.

The gentlemans questions the intent behind the use of the phrase "to the extent feasible." We recognize that the measures we impose in the United States and those that are found abroad do not match perfectly. In some cases it may not be possible to achieve the reduction or removal of a nontariff form of protection for a particular product without tradeoffs in concessions among other product sectors. For one thing our trade interests

naturally differ from those of our trading partners; otherwise I suppose that there would be very little basis for trade at all.

But the flexibility that we have provided when measuring the negotiating results in terms of the equivalency of competitive opportunities available here and abroad, would not serve as an excuse for not engaging in hard bargaining on foreign trade barriers on a given product sector when our own market is being opened up in that sector.

Mr. STEIGER of Wisconsin. I appreciate the gentleman's statement because we should make it absolutely clear that where there are NTB's on both sides the bargaining table, there must also be a mutual give and take on a product basis. Because of certain EEC policies and problems, our trading partners already are asking us to yield on nontariff barriers on selected dairy products. With these factors in mind. I hope the gentleman from Oregon will take this opportunity to make it very clear that our negotiators cannot decline to bargain for competitive balance on a product basis simply because "it is not feasible."

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

Mr. STEIGER of Wisconsin. I yield to the gentleman from Illinois.

Mr. COLLIER. There are cases where it would be impossible for our negotiators to negotiate on a rational basis a nontariff barrier. One good example of this, which is widely prevalent is on local government and State contracts where bids specifically prohibit the use of structural steel or many things that might go into that contract. It is done by State and local law and, therefore, is preempted by any action that might be taken.

(At the request of Mr. SCHNEEBELI, and by unanimous consent, Mr. STEIGER of Wisconsin was allowed to proceed for an additional 2 minutes.)

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate very much the comments of the gentleman from Illinois.

I yield to the gentleman from Wisconsin (Mr. FROEHLICH).

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

Mr. FROEHLICH. Mr. Chairman, I would like to associate myself with the remarks on the dairy problem of my friend and colleague from Wisconsin BILL STEIGER, and thank him for the excellent work he has done to clarify the intent of the Congress in regard to the dairy question. I also want to thank AL ULLMAN, HERM SCHNEEBELI and their fellow members of the Ways and Means Committee for the reassurance they have given to the American dairy community in the committee report on the Trade Reform Act of 1973.

While the very best reassurance to dairy farmers would be in the form of specific language in H.R. 10710, I fully understand that this is not in keeping with the philosophy of the entire bill. My remarks today are not intended to underestimate the reassurances of the committee, but rather to reemphasize their absolute and undeniable importance.

The Trade Reform Act provides opportunities for American agriculture in general, but it also holds great liabilities for America's dairy industry unless the intent of the Congress is known and understood by the administration. We all know that benefits can result from reducing nontariff barriers and increasing accessibility to foreign markets. But, we know equally well that to achieve these ends, we will have to make concessions of our own.

It is the responsibility of the Congress to insure that these concessions are made on a quid pro quo basis in each product sector—not for the benefit of one sector at the disastrous expense of another.

In fact, however, the dairy farmers of my district are deeply apprehensive about the flexible language in this bill, especially in light of the Flanigan report and similar suggestions that their interests be traded away for benefits to our soybean, beef, and grain producers. While such tradeoffs may appear attractive to some, I am convinced that they would be disastrous for our dairy farmers and even more catastrophic for the American consumer. I am pleased that the committee has recognized these implications and seen fit to articulate congressional opposition to these expedient procedures for the upcoming trade negotiations.

The American dairy farmer has lived with frustration and disappointment for years. The Flanigan report is merely the culmination of this consternation in its most dreaded form—the elimination of protection for our dairy farmers with little or no reductions in the outlandish dairy protection policies of the EEC nations and other countries. Though this report is only one of many alternative suggestions, any serious contemplation of its recommendation would ruin America's dairy industry—and that would work severe hardship on 200 million consumers.

The American dairy industry has a history of making burdening investments in order to produce the finest products available anywhere in the world. It operates under stringent sanitary and production requirements enforced by the Federal Government for the benefit of all consumers. And it is not an overstatement to say that many farmers have gone for years realizing only minimal profits on the investments they have made—profits that would be totally unacceptable in most other industries.

Dairy farming simply is not a lucrative business. It takes an enormous dedication and a good dose of faith to make a go of it. But dairy farmers need more than faith to live. They need a solid, stable market for their hard products to counter the fluctuations in demand for raw milk. Without this market, they cannot produce milk for cheese and butter production, let alone milk for the consumer's table.

Yet, when demand is strong and prices rise, the Government consistently takes action to deny the farmer the opportunity to recoup the losses he has suffered in years gone by. This was the case three times this year alone; on April 25 when cheese imports were increased; again, on July 18 when quotas on nonfat dry milk were lifted; and a third time on November 1 when butter quotas were suspended. Not only have these shortsighted policies introduced instability to the domestic market for hard dairy products, but, in fact, they have reduced milk production altogether, and driven hundreds of farmers from the rural community. The implications that the farmers fear in this bill are not only that it will further reduce their market, but that it will put them out of business permanently.

All of this is totally unnecessary. The American dairy industry is the most efficient in the world. And, it could be a great positive factor in our balance of trade if it was competing on an equal footing with foreign dairy producers. Mr. STEIGER has positively shown that this equal footing does not exist under the present trade policies of our partners in Europe. But more than this, he has shown the state of desperation that afflicts foreign producers, as evidenced by the outrageous export subsidies and import levies that their governments support. Their products might be cheaper than our own in some cases, but this is not because they are better, only because their farmers are paid great sums to export and are totally protected from foreign competition.

When this fact is seen in light of the lack of sanitary requirements in many of those foreign nations, one begins to respect the American dairy farmer for his quality mindedness and efficiency. Anyone can produce inferior products cheaply, but it takes a great ability to produce quality products at competitive prices.

Let's take a look at the hard facts of the situation. In fiscal year 1972, nearly 10 percent of all inspected dairy imports were rejected for not meeting American standards—many did not even come close. Examination of FDA commercial import detention reports reveals that these import rejections were so low in quality as to make one nauseous at the thought of the filth they contained. When we understand that only 15 percent of dairy imports are ever inspected, it makes you wonder how many Americans are exposed to this garbage because 85 percent of it is never inspected at all.

To sacrifice the domestic markets of our own dairy producers will most certainly lead to increasing emigration from rural areas. As our colleague from Wisconsin has pointed out, it will also lead to the unavailability of milk for the American family, simply because farmers will no longer exist to produce that milk—and, despite the willingness of our foreign competitors to dump their products on our markets, they will not be able to provide us with raw milk. While the consumer might save a few pennies by importing our hard dairy products, I seriously doubt that he will be pleased by huge increases in milk prices and the dangerously low quality of other imported dairy products.

For all these reasons and many, many more too numerous to mention, it is with

some relief that I view the intention of the Congress as expressed in the committee report. I appreciate the understanding shown by our colleagues on the committee and the knowledge that if this bill passes the negotiated results of these trade talks will necessitate congressional approval before they are implemented. But I will not be happy until those negotiations are completed and I know that the American dairy farmer has not been sacrificed once again.

Mr. STEIGER of Wisconsin. I appreciate very much the comments of the gentleman from Wisconsin (Mr. FROEHLICH).

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

Mr. STEIGER of Wisconsin. I yield to the gentleman from Wisconsin (Mr. OBEY).

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

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding. I think he has made a fine contribution.

The trade reform bill on the floor today and tomorrow will touch the life of everyone in this country, and the lives of many millions of people abroad as well. We can talk about this bill in broad, general terms like balance of payments, comparative advantage and economic expansion. But such generalizations do not answer the question that most people will ask: "How's it going to affect me?"

One group especially and justifiably concerned are the thousands of dairy farmers in Wisconsin and their counterparts throughout the country. When they think of world trade they ask a very basic and vitally important question: "Is the United States willing to cripple one important domestic industry—the dairy industry—in order to promote exports in other agricultural commodities?"

I am very pleased, indeed, that the report on this trade measure, and remarks by members of the Ways and Means Committee clearly indicate that it is the intent of the Congress that this not happen.

The reason they are forced to ask that question can be traced back to a once secret document called the Flanigan Report. This report was written over a year ago, and recommends the elimination of essentially all international trade barriers regarding agriculture, and an end to price supports for agricultural products in Europe and the United States. It suggests a tremendous increase in U.S. grain exports to European countries and Japan and an increase—on the order of $1 billion—in dairy imports to the United States.

What worries dairy farmers; and those of us concerned about the health of the dairy industry, is that in many ways this administration seems to be already implementing those recommendations.

The price support for milk was kept at its legal minimum of 75 percent of parity until the Congress increased it to 80 percent of parity last Fall, and Secretary of Agriculture Earl Butz has suggested that the minimum support level be eliminated altogether. And, in addition to that, over 400 million pounds of additional dairy products, especially non-fat dry milk and butter, have been imported into the country since December, 1972, mostly on an "emergency" basis.

Mr. Chairman, some people think dairy farmers are overreacting to all this and are edgy for no good reason. One nameless USDA official quoted in the Wall Street Journal recently said that dairy farmers were "paranoid."

But I think they have reason to be concerned. When you couple this administration's import policy and its determination to keep price supports at basement levels, with twists and turns in its economic stabilization policy and accelerated costs of production in the dairy industry, you know farmers have something to worry about. The result has been decreasing numbers of farmers, decreasing numbers of cows, and decreasing amounts of milk.

Every month for the past 12 months, we have had a decline in milk production compared to the same month a year ago. In Wisconsin in September production was down a record-breaking 9 percent, and 30,000 fewer cows were being milked than a year ago. And, while the Secretary of Agriculture would have us all believe that farmers are wallowing in newly found wealth, the fact is that from January through October of this year, gross incomes for dairy farmers increased 10 percent all right, but their costs of production increased 20 percent.

When the latest monthly figures came out, one newspaper reported that the picture for the American dairy farmer is bright, if he intends to sell his cows for beef and take it easy.

As serious as this may be for dairy farmers, the consumer has plenty to worry about too.

The administration has made no bones about the fact that dairy products were being imported to keep a lid on dairy prices at home, even though those prices lagged behind farmers' costs of production.

I can foresee the day, Mr. Chairman, if that is allowed to continue, that so many dairy farmers will call it quits that we will have to rely on imported dairy products to meet our needs. Lord knows, we should learn from our oil shortages today what happens when we grow to rely heavily on imports for anything. Just as with oil, if we grow dependent on others for our dairy products, the price of cheese, now kept artificially low by export subsidies, will rise substantially and we won't have any help in meeting our fluid needs at all.

I think we can forestall that unfortunate set of events if we guarantee dairy farmers a decent price for their milk and decent incomes for their families. We can help too if we have a more balanced import policy than that suggested in the Flanigan report.

I am glad to see that the administration has changed its tune in recent months and that it now seems less anxious to sell the dairy industry down the river in order to increase our sales of feed grain and soybeans. I think it is important during the debate on this bill that we set down for the record some of what they've been saying.

For example, Agriculture Secretary Butz said on November 27, 1973, that—

> This administration is prepared to put the matter of quotas on the negotiating table, but we're not going to give them away. We'll fight to prevent the dumping of subsidized dairy products in the United States.

Under Secretary of Agriculture Phil Campbell used almost the exact same language in a speech in South Dakota a month earlier.

In early November, Assistant Secretary of Agriculture Clayton Yeutter said:

> The Department of Agriculture will fight to prevent the dumping of subsidized dairy products on the dairy markets of the United States. In the long run there can be no rational alternative for free trade, but all farmers of the world will have to compete on an equal basis—and U.S. dairy farmers will have to have free access to all markets.

Perhaps of greatest importance was the remark referred to earlier by my colleague, Mr. STEIGER made by the President's Special Representative for Trade Negotiations, William D. Eberle, who said that the United States does not contemplate "trading off our dairy industry in exchange for benefits for our grain producers."

Mr. Chairman, there is one other subject of importance here which may be outside the scope of this bill, but which is certainly not unrelated to what I have been discussing. That is sanitation standards for the dairy products which are imported into this country.

Consumers in this country have become accustomed to uniform high quality in their dairy products. This grows out of the system of Federal, State and local inspections of the plants where milk is processed and the farms where it is produced. The dairy industry, from the farmer through the retail outlet, has invested millions of dollars to develop this high quality and to maintain it.

We have no real knowledge of the conditions under which imported products are produced. There are no legal requirements that they be produced under conditions similar to those established or required in this country. There is an inspection program administered by the Food and Drug Administration which makes an inspection of a random sample of imported dairy products. Due to a lack of adequate funds and manpower, this program falls far short of inspecting all but about 15 percent of the dairy products imported into this country. And, during a period of expanded imports such as we have seen this year, that percentage is even lower.

Even so, FDA reports are filled with notices of seizure of imports for such reasons as the presence of pesticide residues, filth, failure to conform to established product standards, or just plain unfit for human consumption.

It is because of my concern that such conditions should not be allowed to exist that I introduced with 30 cosponsors the Foreign Dairy Quality Act of 1973. That legislation would establish firm inspection requirements for farms producing

milk and plants processing it into dairy products for import into the United States.

I am hopeful that the Congress will act on that legislation some time early next year. It would not only equalize the efforts American and European dairy farmers must make to produce wholesome products, but would help to shatter the myth that European farmers have an advantage over U.S. dairy farmers in efficiently producing milk.

We would, however, still have to solve two basic problems which face the international dairy industry. One is a constant fluxation between surpluses and shortages and the other is the use of export subsidies which today make a mockery of so-called "free trade" as far as dairy products are concerned.

Last spring in Strasbourg at a meeting on agricultural policy attended by United States and Common Market officials, I suggested that a negotiated international agreement among major dairy producing countries, with minimum prices for dairy products, is one way we could bring equitable prices to the world's dairy producers. There is ample authority under this trade bill for the United States to conclude such an agreement.

I encourage our trade negotiators to do so. But let them also keep in mind that under this legislation, before any such agreement is formalized the President is required to notify Congress, and either House could veto the proposal if—in this case—it felt the dairy industry was being compromised. If and when such an agreement is signed, as I hope it will be, I am sure that a number of us in Congress will be scrutinizing it very carefully.

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

Mr. STEIGER of Wisconsin. I yield to the gentleman from Pennsylvania.

Mr. SCHNEEBELI. Mr. Chairman, I would like to commend the gentleman for his efforts. He has spoken to me many times about the fact he would like to see the dairy farmers and agricultural workers have justice in this area. He has been very thoughtful and very thorough. I agree with the evaluation just submitted by the gentleman from Oregon.

Mr. STEIGER of Wisconsin. I appreciate the comments of the gentleman.

Mr. ULLMAN. Mr. Chairman, I yield myself 1 minute. Does the gentleman from Pennsylvania have any additional requests for time?

Mr. SCHNEEBELI. Mr. Chairman, if the gentleman will yield, I would like to reserve 20 minutes for tomorrow, the balance of our time, for general debate.

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

The CHAIRMAN. Does the gentleman from Pennsylvania yield back all time, except 20 minutes?

Mr. SCHNEEBELI. Yes. I yield back all but 20 minutes.

Mr. ULLMAN. Mr. Chairman, I would also say that Mr. DENT also has some time left. He was not able to be here this evening. He has 19 minutes. I reserve 20 minutes for tomorrow.

Mr. REUSS. Mr. Chairman, the Trade Reform Act before the House today is a good bill. We can take pride that at a time when the United States is caught up in its own morass of problems, from the scandals of Watergate to the growing fuel shortages, the bill does not fall victim to the isolationist or restrictionist sentiments which these domestic difficulties might otherwise have spawned.

The bill provides the President with the authority to proceed with negotiations to reduce trade barriers. The United States was instrumental in the call for this round of multilateral trade negotiations in the discussions prior to the 1971 Smithsonian Agreement. It is right that we should now be prepared to grant the President the power to carry out our earlier initiative. The bill permits the President discretion to eliminate tariffs below a minimum level of 5 percent, and to cut by fixed proportions those above this minimum. While I would be in favor of a broader tariff-cutting authority, which would allow the United States to bargain for freer trade, the bill provides adequate leverage to get further negotiations underway.

The bill also gives the President authority to bargain away a range of nontariff barriers—NTB's—on a mutually advantageous basis. These provisions are rightly subject to congressional approval. Such power to negotiate on all fronts to remove blocks to free trade is an essential requirement of effective international economic negotiation. The right of congressional veto over the elimination of any specific nontariff barrier limits the power of the President to act independently, and preserves for the Congress the necessary degree of control over foreign economic policy. The requirement of sectoral reciprocity in eliminating nontariff barriers unfortunately narrows the scope of negotiations to areas where such reciprocity exists. This limitation differs markedly from our tradition of conducting trade negotiations on the basis of overall reciprocity. But the total authority granted the President permits us to proceed toward promoting open and nondiscriminatory world trade.

I am happy to see that the bill provides a strong statutory basis for the Office of the Special Representative for Trade Negotiations. These provisions assure a clearer focal point for the formulation of U.S. trade policy, and a greater degree of independence for our chief negotiator.

The bill also provides for adjustment assistance to help workers and firms hurt by imports to move into lines of production that can survive without the need of protection. Such measures are essential to protect individuals from undue hardship resulting from freer trade. While the actual provisions could be more generous, they do provide the basis for dealing with the very real human problems which will arise as we move to rationalize the international division of labor. They are also the minimum we can provide to meet the very real concerns of labor to protect their members.

The bill wisely grants a generalized special tariff preference for exports of developing countries. Such provisions will help develop and strengthen the manufacturing sectors of poor countries which rely so heavily on these trade receipts. Most of the developed countries have already extended similar provisions for duty-free treatment to exports of developing countries. Now the United States, which was one of the early promoters of generalized preference, will join in.

It is regrettable that the trade bill includes no provision to change the tax treatment of multinational corporations. American subsidiaries should pay similar taxes on the profits from their overseas operations as their parents do here on earnings from domestic operations. Labor's concern about exporting jobs is a real one, particularly if we are subsidizing overseas operations through preferential tax treatment.

My only major reservation is the balance-of-payments authority delegated to the President under section 122. This seems superfluous and unwise. If the United States continues to let the dollar float in exchange markets, as we are wisely doing now, the exercise of this authority would prevent the deterioration or appreciation of the external value of the dollar which would be necessary to eliminate a balance-of-payments deficit or surplus, as the case may be. On the other hand, if we should ever revert to a fixed exchange rate parity for the dollar, the time limit proposed of 150 days would be much too short to allow a reversal in basic economic conditions sufficient to restore a satisfactory balance-of-payments equilibrium. I do not suggest that the 150-day limit be extended. Such a proposed delegation of power to the President is already too sweeping, particularly as we have not chosen to specify which balance-of-payments accounting surplus or deficit would be most relevant. I would hope that the Senate, when it considers the bill, will eliminate section 122.

But the Trade Reform Act does represent a major step forward toward open and nondiscriminatory trade. It deserves support.

Mr. FRASER. Mr. Chairman, I rise in support of the Trade Reform Act of 1973. Further delay in granting our Government the authority it needs to participate in the new multilateral trade negotiations under GATT—General Agreement on Tariffs and Trade—would be unwise. We must join the other nations of the world in developing more satisfactory rules for international trade and investment if we are to avoid drifting into regionalism and nationalism.

IMPORTANCE OF THE GATT NEGOTIATIONS

Delegates from 102 nations pledged themselves in Tokyo this September to "the progressive dismantling of obstacles to trade and the improvement of the international framework for the conduct of world trade." The new round of negotiations is scheduled for completion by the end of 1975. Under scrutiny will be nontariff barriers, as well as tariffs. Agriculture will be a major new item on the agenda. Earlier GATT negotiations focused on manufactured goods. As the world's most efficient food-producing nation, we will be trying to get the European Community and Japan to lower barriers to our agricultural exports. De-

veloping nations' problems have been assured. "special attention" and "special treatment." The GATT negotiations will also consider "an examination of the adequacy of the multilateral safeguard system"—that is the steps member nations take to protect domestic industries from threatening imports.

IMPORTANCE OF THIS BILL TO THE GATT NEGOTIATIONS

Crucial to the negotiations is the U.S. delegate's authority to enter into substantive negotiations. The other major powers have indicated their unwillingness to go to the negotiating table until Congress has granted the U.S. delegate the needed authority. A European Community spokesman has declared that "first and foremost we must all be ready to come to the negotiating table with adequate powers and proposals before too long a period has elapsed."

This bill will enable the U.S. delegate to do just this. To lose this opportunity now could mean a return to the disastrous economic nationalism of the post World War I years that led to the economic collapse of the 1930's and eventually to World War II.

AUTHORITY GRANTED TO THE EXECUTIVE BRANCH IN THIS BILL IS HEAVILY SAFEGUARDED

This bill, it is true, grants new and needed authority to the executive branch, authority without which, the United States cannot take its place at the negotiating table. But the Ways and Means Committee has carefully restricted this authority:

The executive branch must notify the public and Congress of the items to be included in the negotiations.

It must ask the Tariff Commission to determine the impact that any specific negotiation will have on our domestic economy.

Limits on tariff reductions are carefully spelled out.

And for nontariff barrier agreements, the executive branch must consult beforehand with the House Ways and Means Committee and the Senate Finance Committee.

Furthermore, either House may veto any nontariff barrier agreement with which it disagrees.

EXPANDING OUR FOREIGN TRADE THROUGH THIS BILL WILL HELP, NOT HURT, OUR ECONOMY

We cannot cure what is wrong with our economy by altering our stance in international trade. This trade is only 5 percent of GNP. When unemployment was at its height, 2 million people had been put out of work, largely because of the Feleral Government's misguided anti-inflationary measures. Two million people are many more than are involved in all of our foreign trade.

Although many more jobs are gained than are lost through trade, some dislocation unfortunately does occur through changing trade patterns. This bill takes important steps to safeguard American workers and industries from being seriously injured from competition of imports. I am under no illusions that trade adjustment assistance is a remedy for our economic ills, but it is a useful and needed part of a total program to assist individuals. Although the adjustment assistance provisions in the bill are not as strong as I would like to see, they are a distinct improvement over existing law and over the administration's proposals. Eligibility criteria are eased; relocation and retraining allowances are provided.

Open and vigorous trade is critical in maintaining friendly relations wtih the rest of the world. There are so many important reasons why we have to keep international trade channels open, reasons that have to do with the nature of war and peace and avoidance of the economic disasters of the 1930's which led to the growth of fascism and World War II.

I urge Members to support the Trade Reform Act of 1973.

Mr. MALLARY. Mr. Chairman, I consider this trade legislation to be a generally far-sighted proposal to update and improve our trade relations throughout the world. The thrust of the changes is far-reaching and certainly is the proper object of much debate. I am concerned, however, that we do not lose sight of the fact that such broad proposals will have a significant effect on the many individual sectors of our American economy.

The question which demands attention is: How will the legislation affect each particular sector of our economy? I am particularly concerned because, in Vermont, the dairy industry traditionally has been and continues to be a vital part of the economy.

Normally, our country has a surplus of milk over commercial requirements of about 5-billion pounds per year, out of an annual milk production of around 120-billion pounds. This surplus is usually bought up by the Commodity Credit Corporation under the price support program and is then used mainly for charitable purposes—mostly at home, but also abroad. Import quotas have the purpose of preventing imports from displacing domestic milk and thereby aggravating the surplus which the Government is required to buy up.

All this works to keep our foreign trade in dairy products a very minor part of the total picture. Why then is the Trade Reform Act important for dairy farmers?

First of all, the administration has recently taken steps to liberalize imports because of an abnormally poor production year. Cow numbers declined and production per cow dropped. Furthermore, CCC stocks of dairy products are down substantially from a year ago. We have imported some dairy products because of the reductions in domestic production.

On October 31, President Nixon authorized emergency temporary import quotas for butter and butteroil. The quotas are for 56-million pounds of butter and 22.5-million pounds of butteroil. Earlier, the President had authorized imports of 180-million pounds of nonfat dry milk. These earlier special quotas have now terminated, and the latest special quotas will end on December 31.

For the first time in many years the U.S. Government does not have a substantial stock of butter and cheese and nonfat dry milk imposing a ceiling over the market, stagnating trade, serving as a disincentive to production, and operating as an effective ceiling on dairymen's prices. If, through negotiation, we can move other countries in the same direction, this will be a plus for our own dairymen.

Changes in our dairy import policies should not be founded upon unilateral actions but upon a solid base arrived at through substantive negotiation. I believe that the negotiating process we are considering can remove many of the inequities which now characterize the international dairy situation.

On the other hand, I am pleased to note that if we cannot negotiate an acceptable agreement for dairy, Secretary Butz has indicated that he will fight to prevent the dumping of subsidized dairy products in the United States. He has taken a strong position in favor of using countervailing duties to prevent unfair competition in our markets. In other words, we are assured that if we liberalize import quotas in the United States, we will still have and will vigorously use a companion mechanism that protects our farmers against the threat of subsidized competition.

I am encouraged that the administration has assured that committee that provisions which would benefit the dairy industry will not be traded away in order to assure greater markets for other agricultural or industrial exports. The committee report makes it quite clear that protection for our own dairy industry would not be the subject of negotiation unless the dairy policies of our major competitors were also being discussed and open for negotiation. This assurance is vital to protect American dairy farmers against discriminatory practices overseas or foreign export subsidies.

The proposed Trade Reform Act would not only provides the President with authority to negotiate for improved trading conditions for dairy, it would also strengthen his hand in dealing with the subsidized exports of foreign countries either to this market or to third country markets. In my view, the interests of the dairy industry will be adequately protected by this bill which is otherwise so important to our continued role in world trade.

Mr. ARCHER. Mr. Chairman, I support H.R. 10710, in large part because of changes which our committee made in the provisions of law dealing with unfair trade practices by other countries.

Some of these changes, in title III of the bill, represent compromises on the part of committee members holding strongly to opposing points of view. Both sides worked hard to resolve their differences, in the interest of producing legislation which not only would be acceptable to each, but would be equitable and workable as well. I believe the results of this strenuous effort to reach a meeting of disparate minds have served to strengthen the bill as a whole, making it more responsive to the conditions of trade as they exist today.

The first major improvement in this area came in a revision of section 252 of the 1962 Trade Expansion Act, which sets forth responses which the President may make to unjustifiable or unreason-

able import restrictions by other countries or instrumentalities.

Under section 301 of the bill, the President is required to take all appropriate and feasible steps within his power to eliminate three specific practices:

First, where another country maintains unjustifiable or unreasonable trade restrictions which impair the value of commitments made to the United States or which burden, restrict, or discriminate against U.S. commerce;

Second, where another country engages in discrimination or other acts or policies which are unjustifiable or unreasonable and which burden or restrict U.S. commerce;

And third, where a country provides subsidies—or incentives having the effect of subsidies—on its exports to the United States, or to third countries, which have the effect of substantially reducing sales of competitive U.S. products either in our domestic market, or in the market of the third country.

In responding to these practices, the President would be given discretionary authority to suspend, withdraw or prevent the application of benefits under a trade agreement, or to impose duties or other import restrictions for as long a period of time as he deemed appropriate. If he decided to take such action, he would be required to give the Congress his reasons for doing so, and either House could, within 90 days, veto his decision by a majority vote of those present and voting.

In taking any retaliatory steps, the President would be required to consider the potential impact on our international obligations and on the purposes of this bill.

In cases where the foreign acts were deemed unjustifiable, he could take retaliatory steps on a broad, nondiscriminatory basis. In cases where the foreign acts were deemed unreasonable, he could respond only with respect to products of the offending country.

In the committee report on H.R. 10710, the term "unjustifiable restriction" is defined as one which violates international law or is inconsistent with international obligations; and the term "unreasonable restriction" is defined as one which may not be illegal but which adversely affects our benefits from trade agreements or otherwise discriminates against or unfairly burdens U.S. commerce.

The President, can retaliate with respect to subsidies on exports to this country when three determinations have been made. First, a finding by the Treasury Secretary that a subsidy, or another incentive having the effect of a subsidy, actually existed. Second, a Tariff Commission finding that the subsidized exports really were reducing sales of competitive U.S. products. And third, a Presidential determination that remedies available under the antidumping and countervailing duty statutes were not adequate deterrents.

Appropriate provisions are included in this section of the bill for the presentation of views and for public hearings in connection with any retaliatory action which the President might choose to take.

The committee has made clear its intention that the term "commerce," as it is used in this section, should include services as well as goods. We were concerned about reported practices of discrimination against U.S. service industries, including but not limited to transportation, insurance, banking, and tourism. We additionally indicated our concern in another part of the bill by requiring that the President report to the Congress on the results of action taken to remove this type of discrimination wherever found in world commerce.

I might emphasize at this point that the principal change in law under this section of the bill lies in the provision of explicit authority to deal with subsidized exports to third country markets and to the U.S. market. The committee noted, in its report on the measure, that the countervailing duty statute should remain the primary tool for combating subsidy practices by foreign countries. But this law, which has been on the books since 1897, provides only for an additional duty to offset the foreign subsidy. In view of the rising problem of export subsidization around the world, we felt that new authority was needed, permitting the President to go beyond mere equalization and impose further restrictions to deter such practices. I believe this is an important improvement over present law and is one of the more attractive features of H.R. 10710.

In addition to these changes, the bill would make substantial alterations in the Antidumping Act and the countervailing duty statute, strengthening both laws and streamlining the procedures under which they are implemented.

The committee took note of the fact that the administration of the Antidumping Act by the Treasury Department has improved significantly in the past few years. There has been a marked reduction in the length of time consumed in completing antidumping investigations as well as an appreciable increase in the number of cases handled.

The committee was most desirous that vigorous enforcement continue. Accordingly, we have recommended the enactment of time limits on the decisionmaking process in Treasury Department investigations.

Under the bill, Treasury would have only 6 months—or in more complicated investigations, 9 months—after an investigation has been initiated, to determine whether there is reason to believe or suspect that a particular type of foreign merchandise is being sold in the United States at less than fair value; that is to say, at a dumped price.

If the decision is affirmative, an order is issued withholding appraisement of the merchandise in question. This decision is the most critical one in an antidumping investigation, for if appraisement is withheld, and this is followed by a final Treasury determination that the merchandise is being sold at dumped prices, and later by a finding of the Tariff Commission that there was injury to a domestic enterprise, then all affected merchandise is subject to the assessment of dumping duties starting from the date of withholding of appraisement.

Since Treasury regulations require that, generally, the decision on whether to initiate an investigation should be made within 30 days of receipt of a dumping complaint, and that a final determination must be made no later than 3 months after withholding of appraisement, final affirmative action by Treasury will come, in most cases, within 10 months of the date of a complaint. It will not come later than 13 months from the date of a complaint.

If a decision is made that there is no reason to believe or suspect that a particular type of foreign merchandise is being sold in the United States at a dumped price, then the Treasury Department issues a tentative negative determination. Under the bill, a tentative negative determination normally would be followed by a final decision within 3 months.

The bill would require both the Treasury and the Tariff Commission to hold hearings prior to any final determination. In order to preserve the informal and nonadversary nature of these proceedings, and to avoid unwarranted delays in reaching decisions, the hearings specifically would be exempted from the procedural requirements of the Administrative Procedure Act. In the interest of fairness to all parties, published determinations of the Treasury and the Tariff Commission would contain statements indicating the bases for their findings and conclusions.

A number of other substantive amendments to the Antidumping Act are included in H.R. 10710. These are designed to correct existing errors, close potential loopholes, and guarantee fair treatment of all companies subject to an investigation. One provision would insure that a product which is the subject of a dumping investigation could not escape the purview of the law simply because it is imported by someone corporately related to the foreign exporter and is further processed into a different type of product before being sold to an unrelated purchaser in the United States.

Another provision is designed to prevent sales, made in the foreign home market at less than cost of production, from being used in certain circumstances as a basis for determining whether merchandise is being sold in the United States at dumping prices. Without such a provision, sales to the United States at less than cost of production could escape the purview of the act if sales in the home market of the exporting country or sales to third countries also were made at prices which failed to meet the cost of production by an equal or greater amount.

A third new provision would codify existing Treasury regulations which provide a special rule for dumping investigations of products from state-controlled-economy countries. In such countries, prices in the home market or to third countries do not necessarily reflect the interplay of normal market forces. Therefore, provision is made for reference to the prices of similar products in nonstate-controlled-economy countries

as a basis for the determination of whether dumping margins exist.

A fourth provision of the bill to amend the Antidumping Act would insure that a company will be judged to have sold, or not sold, at dumping prices solely on the basis of its own practices, and not on the basis of the selling prices of another company.

Even more significant than the Antidumping Act amendments, in strengthening the ability of the United States to respond appropriately to unfair trade practices, are the provisions of the bill relating to the countervailing duty law. This package represents a balanced approach to the troublesome problem of subsidized imports. It corrects important deficiencies in the statute, or in its administration, which have led to what we consider inadequate use of the law. At the same time it provides the administration, on a temporary basis, with the flexibility needed to avoid precipitous action that could endanger the successful completion of an international agreement on export subsidy practices.

Although the present countervailing duty law, which has been little changed since its enactment 76 years ago, mandates action by the Secretary of the Treasury whenever he determines that a bounty or grant is being paid on exports to the United States, the absence of any time limit on the Secretary's action has led to lengthy delays in the application of the law. To remedy this, we have proposed a time limit of 12 months on the Secretary's decision, once he initiates an investigation. The Treasury Department has assured the committee that promptly following enactment of this legislation, regulations will be promulgated providing that the decision on whether to initiate a countervailing duty investigation will be made generally within 30 days after receipt of a complaint that a bounty or grant is being paid on exports to the United States.

Another significant provision would expand the countervailing duty law to include merchandise which is free of duty. Whatever reasons may have existed in the past for the exclusion of duty-free merchandise, the large number of items which now enter duty-free, combined with the significant increase in this category which likely would occur as a result of negotiations conducted under authority of this bill, make it clear that subsidized imports of duty-free merchandise can do serious injury to competitive American industries. Therefore, in accordance with our international obligations, the bill provides that countervailing duties would be imposed on duty-free merchandise if the Tariff Commission, within 3 months after the Secretary of the Treasury determines that a bounty or grant exists, finds that a U.S. industry is being injured by such subsidized duty-free imports. The provision for a Tariff Commission injury determination parallels the Antidumping Act and is combined with a suspension of liquidation provision which insures that the effective date of the imposition of countervailing duties on duty-free merchandise would be the same as if the merchandise were dutiable.

The committee recognized that requiring the Treasury Secretary to impose countervailing duties on merchandise which also is subject to quota restraints might amount to "overkill" in particular situations. Consequently, we have included a provision which would authorize the Secretary to refrain from imposing countervailing duties on merchandise if, after consulting with other appropriate agencies, he concludes that the quantitative limitations are an adequate substitute for countervailing duties.

The committee is very much aware that the upcoming trade negotiations will focus on export subsidy practices, that a number of these practices are central to the economic structure of certain foreign governments and that a number of programs of export assistance conducted by the United States could be considered by foreign governments as giving rise to unjustifiable subsidies, which might well be subject to foreign countervailing actions.

We are also mindful that the mandatory nature of the countervailing duty law, combined with the proposed 12 month time for action, could compel the Treasury to countervail against such practices in the midst of the negotiations, making the conclusions of a satisfactory trade agreement difficult if not impossible.

In view of all these factors, and in order to facilitate the reaching of international agreements on one of the most difficult trade problems, we have included in the bill a provision giving the Secretary a limited 4-year authority to refrain from imposing countervailing duties, if he concludes that the imposition would be likely to seriously jeopardize the satisfactory completion of negotiations. This authority would be limited to only 1 year in the case of investigations concerning merchandise produced by facilities which are owned or controlled by the government of a developed country, when the investment in or operation of such facilities is subsidized.

The committee is additionally aware that there are considerable differences of opinion as to what constitutes a permissible export subsidy practice. We certainly did not want to sanction any foreign export assistance scheme, nor did we want to frustrate efforts to reach a satisfactory international understanding. Indeed, we earnestly hope that a satisfactory agreement can be reached on export subsidy practices, and that this can serve as a basis for the further, permanent amendment of domestic law upon completion of the negotiations.

A final provision of the bill which concerns the countervailing duty law would amend section 516 of the Tariff Act of 1930 to provide for judicial review of negative countervailing duty determinations. Under a recent court decision, such determinations were held to be free from judicial challenge by American producers. We believe this decision denies American producers basic equity and impairs their ability to obtain appropriate relief under the countervailing duty law. Accordingly, we have amended section 516 to extend to them the same right of judicial review of negative countervailing duty determinations as are presently enjoyed by U.S. importers to contest countervailing duty assessments.

In conclusion, Mr. Chairman, I would emphasize that our committee worked very hard over a long period of time to develop the provisions of H.R. 10710 relating to unfair trade practices. We realize they may not meet the exact specifications of every Member. But they represent the best effort of our entire committee to bridge ideological gaps and bring to this body a fair and practical set of answers to some pressing trade problems.

I commend these provisions, and the bill as a whole, and urge that H.R. 10710 be approved.

Mr. PODELL. Mr. Chairman, there is no doubt in my mind that the United States must have a new trade law for the 1970's and beyond. We cannot afford to go on working with guidelines for foreign commerce which were established one or two generations ago. Nevertheless, the bill before us is so full of flaws that I must reluctantly vote against it.

There are a number of major problems in 10710. First, this bill grants sweeping new powers to the President at a time when the present occupant of that high office has abused and usurped powers on a level unparalleled in our history. Article 1, section 8 of our Constitution gives Congress the right "to regulate commerce with foreign nations." We could not choose a worst time to abdicate more of our powers and transfer them to the executive branch.

Second, the legislation fails to address itself to the Nation's runaway unemployment problem. Over 1 million jobs have been lost in this country in the past 7 years, in large part due to our trade policy. Moreover, the most recent figures issued by the Bureau of Labor Statistics show that unemployment went up again last month. The commercial agreements which are anticipated by H.R. 10710 would result in still more working Americans losing their jobs and joining the welfare rolls.

Third, the bill would allow "zero tariffs" on imports from various "banana republics" where dictatorships are able to impose extremely low wages. This special allowance will further hurt many of our domestic industries, such as electronics, footwear, and textiles.

Fourth, the proposal avoids the crucial issue of multinational corporations, such as ITT, which have spread their tentacles into every corner of the planet. These giant corporations, whose assets exceed those of some countries, have been manufacturing goods in low-wage areas abroad and then selling them to us in the United States. H.R. 10710 imposes no regulation on these corporations and does not close any of the tax loopholes for multinationals, which cost this country $3 billion every year.

Finally, the bill does nothing to alleviate our increasing dependence upon imports. The Arabs' embargo on shipments of oil to the United States is ample proof that Mr. Nixon's strange notions about "détente" are less important than Amer-

ican self-sufficiency. In the first 6 months of this year, the importation of goods increased by an incredible 23.6 percent over the same period a year ago.

In short, then, this bill raises many more questions than it answers. It does not come to grips with the problems faced by the American worker or the American consumer. Like so many other bills proposed by President Nixon, this legislation was drafted by and for the special interests. I believe that it is in the public interest to vote against this bill, and I intend to do so. At the same time, I am hopeful that we can promptly begin consideration of genuine trade reform legislation which we so urgently need.

Mr. KASTENMEIER. Mr. Chairman, while I would like to vote for this bill, I have for a variety of reasons some very real reservations about the thrust of this legislation. It is of such broad scope and has such great potential impact on the lives of every American that I am concerned that the authority which we grant in this bill will be abused to hinder rather than help the economic strength of this Nation. Although this concern runs to every part of this Nation's economy, I would at this time like to address my remarks specifically to the effects the bill could have on this country's dairy industry.

Over the past year, there have been repeated statements of concern on the part of dairy farmers that the trade negotiations and agreements authorized under this legislation could lead to a tradeoff of the domestic dairy market for expansion of exports of other goods. The U.S. Department of Agriculture study that has become known as the "Flannigan report" recommends substantial increases in dairy imports in exchange for larger volume of U.S. feed grain exports.

If such action were carried out under the provisions of the Trade Reform Act we are considering here today, it would be a serious blow to all of the American dairy industry, but it would strike a particularly critical blow to Wisconsin dairy producers. Since fluid milk is highly perishable, most of the dairy imports would enter this country as manufactured products, such as nonfat dry milk and cheese. Three out of every four pounds of milk produced on Wisconsin farms goes into manufactured dairy products.

It does not take a prophet to predict what would happen to Wisconsin's billion dollar dairy industry if the recommendations of the Flannigan report were impleted. Other administration actions during the past 12 months have done nothing to relieve the fears of the dairy farmer.

On five occasions during the past year, the President has raised the import quota for nonfat dry milk, until today a total of 321 million pounds of the product have entered the country in addition to the permanent annual import quota of 1.8 million pounds. The import quotas on cheese have been increased by 50 percent in the last year. These actions were taken for the specific purpose of holding down product prices. Early this month, the import quota on butter and butterfat was expanded by the equivalent of 84 million pounds of butter. This action was taken in the face of rising butter production and a butter market that had fallen more than 15 cents a pound since October 1.

Last March, the price support level for milk was set at the legal minimum despite clear evidence that this would not bring forth adequate milk production. Recognizing this, Congress mandated an increase in the dairy price support level. Unfortunately, by this time, this became law, the higher minimum level was too low to be effective in halting a decline in milk production that has reached very serious proportions. Again, the administration failed to seize the opportunity to take effective action and the price support was again set at the minimum permitted by law.

The price support actions and the import expansions have been viewed by dairy farmers as direct efforts to weaken the industry. Many have lost confidence in the future and have already departed from the business. At a time when much is heard about the need to hold down the cost of living and to take steps to assure the consumers of the Nation of adequate food supplies, it is difficult indeed to conceive of deliberate actions which actually discourage the production of a basic food item. This, unfortunately, is the case in the dairy industry.

What is urgently needed is some clear signal to the dairy farmer that his markets are not to be thrown open to the competition of freely subsidized imports from around the world. He needs to be told that the United States is not going to become the dumping ground for world dairy surpluses.

Unless such assurances are provided, there is no way that the needed confidence can be restored to the dairy industry. Without that confidence, we can expect a continued erosion of the productive capacity of the industry.

When a man enters the dairy business, he makes an investment that can only be recovered over a period of years. He dedicates himself and his family to a job that requires attention 7 days a week, 52 weeks a year. Unless he can reasonably expect that the investment and dedication will be rewarding in the sense that it provides an adequate living for his family, he is not going to make it.

The provisions of the report of the Ways and Means Committee stating that aimed at providing the needed assurance that the dairy products markets of this country will not be sacrificed to expand markets for other products are helpful. I am hopeful that this assurance can be made clear and specific as an instruction to those who have the responsibility for the conduct of our trade negotiations. This is the minimum that is needed.

Mr. VANIK. Mr. Chairman, this trade bill comes to the House of Representatives at a most inappropriate time. Our Nation is saggering under the impact of an energy crisis. Signs of growing and widespread unemployment are on the horizon. Our partners in the free world are engaged in a horrendous display of disunity and self-survival. Our President's prestige and ability to negotiate from strength is clouded.

The principal beneficiaries of this bill are the American multinational corporations. Today, these corporations can shift their operation from nation to nation as they maneuver from tax responsibility anywhere. The other beneficiary is American agribusiness which shows no concern for the American diet when export profits are involved. They seek wider markets in Western Europe and Japan in exchange for a deeper foreign penetration into industrial America's markets. This is the manner in which agribusiness expresses gratitude to the American taxpayer who paid dearly in multibillion dollar subsidies to strengthen agriculture to assure adequate supplies at home at reasonable prices.

The bitter fruits of taxpayer largesse to American agriculture have spiraled domestic prices. Agribusiness, like its multinational counterpart, pays very little of its wealth in Federal taxes. The arrogance of American agribusiness and American multinational corporations appear beyond the control of the American people. Should this arrogance be rewarded with legislation which reinforces these policies?

Titles I, II, and III of this bill serve as such reinforcement. Although some discretionary authority originally requested by the administration has been eliminated, too much remains. The bill is still largely the President's legislation. The Congress should legislate trade policy—not abdicate responsibility. Under the bill as now written, the President will have the power to be free trader or protectionist and to reward his friends and punish his enemies.

This administration bill stakes out extensive authority for executive discretion—and this discretionary authority is carved out of the little that remains of the shattered and torn carcass of constitutional congressional authority and responsibility. If the Congress should finally pass this bill in its present form, it will move the Congress a considerable distance toward becoming an unnecessary branch of the Government. As far as trade is concerned, there will be little left for the Congress—but remorse for its own folly.

All trade bills have extended wide authority to the executive branch. But this bill exceeds prior grants of authority in both scope and substance. It would not be quite so bad if we really knew what the administration's trade position was. But this administration statements have not always been entirely consistent. The emphasis on either free trade or protection has depended on the particular administration's spokesman and the audience he has been addressing.

Since the administration has given us little clear indication of what will be negotiated away and what exactly will be gained, we must look to the bill itself. However, the legislation grants powers right and left—but gives not a clue as to the congressionally mandated objectives of our negotiators. In short, the bill imposes no direction on the administration. It is a piece of putty, to be molded as the administration sees fit. We do not

know how this President will use these powers—we can have no idea of how the next President will use them.

Not only is this the wrong bill—it is the wrong bill at the wrong time. It is unconscionable to proceed with a bill of this potential impact at a time when we have no idea what will happen to the American economy and the world economy during the next several months. To grant the President authority to enter into long-range negotiations and to make major economic decisions makes no sense whatsoever in a time of economic upheaval. It is certain that the world's major trading nations will be undergoing fundamental economic realinements. Industries will be developing and closing. Extraordinary pressures will be put on existing sectors of the economy. Some industries may be headed for a long-range recession. To add the uncertainties of major trade/economic changes would be to add chaos to confusion. The sensible thing to do now is to deal with the energy crisis and the economic dislocations it has caused. When we have a better understanding of the economic problems involved in meeting this new and most serious problem, then we can consider traditional trade legislation.

THIS IS AN AGRICULTURAL TRADE BILL

H.R. 10710 is a trade bill designed for and around the American farmer. It is clear from the testimony presented to the committee that American agriculture feels it has the most to gain. I find it interesting that one of the few executive agencies actively lobbying for this bill is the Agriculture Department. They seem particularly anxious to make more big sales to the Soviet Union.

I would like to make these comments on this aspect of the bill: First, it is imperative that the final trade bill contain some provisions for preventing the export of essential reserves of food supplies. We must not be permitted to export ourselves into starvation. Second, this bill should be amended to protect the consumer better by permitting a wider range of imports.

Third, while the farmer may have a short-term gain from this bill, he should be advised that by implication, this bill could lead to the termination of many of the subsidies now enjoyed by the agricultural sector.

It is generally agreed that American agriculture is the world's most efficient and productive. It is expected that our biggest increase in export sales can occur if foreign nations were to eliminate their barriers to American farm goods. The increase in potential agricultural trade exports is estimated in the billions. And according to recent highly complex economic studies by the Brookings Institution such increased foreign sales will increase the price of food goods to American consumers by at least several percentage points.

The productivity and efficiency of American agriculture are not solely the product of the American farmer. The first land grant colleges which provided for training in agriculture were paid for by the Federal Government and its taxpayers. Agriculture research has been financed by the Federal Government. Crop conservation and subsidy stabilization programs have cost the taxpayers tens of billions of dollars in the last decade. When a particular sector of the agricultural economy feels that it is threatened, it receives protections from the Government against imports. Quotas have been placed on milk, cheese, and meats—while thousands go hungry in our Nation's cities.

In light of the billions which have been spent to develop American agriculture and maintain it in a healthy state, this trade bill should have made provisions to prohibit the export of that productivity and profit to the detriment of the vast body of American consumers. Americans are entitled to a preference in American products. Export of food goods must be controlled and regulated when such exports threaten to unduly increase the domestc price of these vital items—items such as wheat, soybeans, feed grains, vegetable oils, meats and other products necessary for heathly diets.

SPECIAL IMPORT PROTECTION FOR AGRICULTURE

It is typical of the emphasis in this bill that agricultural products under marketing orders are excluded from the provision granting the President authority to suspend import barriers to restrain inflation. Section 22 marketing orders—anti-consumer devices designed to hold down supply and hold up price—are in effect on wheat, cotton, peanuts, and dairy products. Under this bill, import barriers on these products cannot be suspended to restrain inflation.

It is also interesting that in the section on nontariff removal, only one import restraint is specifically mentioned—American selling price; ASP is a system of valuation used mainly in the chemical industry. There is no mention of agricultural marketing orders. There is no reference to the Sugar Quota Act which in most years costs American consumers $400 million. There is no mention of the Meat Import Quota Law of 1964 which costs consumers—primarily the poor—$350 million per year. Nowhere can one find concern about the dairy quota which Brookings Institution, economists estimate costs consumers half a billion dollars a year.

During the height of this year's beef crisis, I offered an amendment to repeal the Meat Import Quota Act of 1964. The motion lost 9 to 15.

The Department of Agriculture's hard-nosed position on the meat import quota law can be seen in the letter I received from the Secretary of Agriculture on May 10, 1973:

1(b). The Department does not regard present meat prices as a reason for repealing the Meat Import Quota Act of 1964. Quantitative restrictions on meat imports have been suspended since June 1972, and there is no prospect of their being reinstituted while current market conditions prevail. However, meat production is highly cyclical, and the Meat Import Act does provide safeguards if the supply situation changed and our producers were threatened with sudden sharp increases in imports. Meat prices have already begun to moderate, and a further decline is in prospect for this fall as a consequence of the record large increase anticipated for 1973 U.S. soybean plantings.

If we are granted the authorities contained in the proposed Trade Reform Act of 1973, we would be prepared to negotiate the elimination of our meat quotas in exchange for substantial concessions from our trading partners. But this would not preclude our producers from having recourse to the import relief provisions contained in Section 203 of the Trade Act in the event of imports causing or threatening injury.

The second paragraph, of course, holds out some hope for eventual repeal.

The first paragraph is nonsense. As we all know, meat prices did not decline until very recently. Second, suspension of the quota is not enough, repeal is essential.

Temporary suspension of meat supply restrictions does not appreciably increase the supply of the cheaper priced foreign processing meat. Foreign producers will not substantially alter their production and shipping plans for what appears to be a temporary change in the American market—a market which may be suddenly restricted by the stroke of a pen. For example, Australia, one of our principal trading partners, to protect its markets against sudden American actions, requires its ranchers to sell 1 pound of meat in the world market for every 2.5 pounds sold in the American market. The temporary relaxation of import quotas will not substantially increase meat supplies, since producers must plan years ahead to increase herds to meet American needs.

AGRICULTURAL EXPORT SUBSIDIES

Last year, the intelligence of the American people was insulted by the spectacle of $300 million in agricultural export subsidies being paid out to drain away domestically needed food goods.

After so many billions spent to develop and encourage the productivity of American agriculture, we should not permit subsidies to be applied or given to items for export. We must never repeat the debacle of last year's wheat "deal" which costs the American consumer some $3.2 billion in higher prices and economic dislocations. If loans and subsidies are necessary in the future, they should be limited to the necessary support of agricultural products required for domestic needs.

Fortunately, this bill does indicate very strongly that the United States is anxious to end the growing practice of export subsidies. As the committee report states:

The committee recommends that GATT articles be extended to conditions of trade *not presently* covered in order to move toward more fair trade practices. Many agricultural practices, such as export subsidies, production subsidies, and variable protection at the borders, are not specifically covered. (Page 26)

Later, on page 76, the committee recognizes that the United States—

May well be conducting programs of export-assists which foreign governments may find inconsistent with international law and policy.

It is very clearly the intention of the United States to move against the wide range of government subsidy programs. I am hopeful that this policy decision will be carried out evenly and across the

board to remove or limit the wide range of agricultural subsidies and production payments which have so frequently raised the price of American farm goods and taxed the general public. This is particularly relevant to agriculture, since it appears that most American and foreign complaints under the GATT rules involve agricultural subsidies and restrictions.

I might add here, Mr. Chairman, that this policy objective should be applied to eliminate the DISC export subsidies. It is also time that the various developed nations of the world examined their systems of government-backed investment insurance plans and export banks. The reduction or control of these various institutions could save the American taxpayer—and taxpayers throughout the world—enormous sums.

FAILURE TO ASSIST AMERICAN WORKERS

The bill makes some show of protecting American interests and workers—but it is almost all verbiage. Title II and, more especially, title III deal with import relief from fair competition and from unfair trade practices. Almost none of title III is needed; it almost seems that it has been included to give the illusion of concern about unfair trade practices. Presidents already have the authority to move against this type of problem if they desire. It is interesting in this connection to note the language of the McKinley Tariff, enacted in 1890 and still in force today, which deals with some of the situations which we are encountering today:

> Whenever the President shall be satisfied that unjust discriminations are made by or under the authority of any foreign State against the importation to or sale in such foreign State of any product of the United States, he may direct that such products of such foreign State so discriminating against any product of the United States as he may deem proper shall be excluded from importation to the United States. . . .
>
> 19 U.S.C. 181

That American industry and labor should expect little in assistance from this bill can be seen by the fact that the President has been holding up a decision to grant import relief to the nonrubber footwear industry for two and a half years. He does not need a new bill to help him assist this industry. Indeed, the bill as written permits the President to delay in taking corrective action in some cases. For example, this bill will permit him to wait up to 4 years before taking retailatory action, if he feels the matter can be settled through negotiations. The question is, can the workers and companies involved wait 4 years?

FAILURE TO ASSIST AMERICAN WORKERS

It is also interesting to note that the congressional veto procedure is very one-sided. Congress can veto an import relief decision or retaliation-for-unfair-competition proposal, if it thinks that the action is too strong. But there is no provision for the Congress to veto a presidential decision not to provide relief.

Also typical of the weak provisions assisting American interests is the adjustment assistance portion of the bill. The section provides no relief to communities crippled by a plant closed by import competition. If a worker is undergoing job retraining, he is eligible for daily subsistence aid to help him travel to and attend the retraining programs. The bill provides for $5 a day in subsistence—the same as was provided in 1962. Apparently the administration feels that the cost-of-living has not gone up in the last 11 years. In the 1962 act, some impacted workers were eligible for assistance if they had been employed for $15 a week, 78 out of 156 weeks immediately preceding separation. The new bill stiffens that requirement to 26 out of 52 weeks at wages of $30 or more per week. Most important, the bill says that workers shall be eligible for job training—but sets up no special program for trade impacted workers. Under the "new" plan of manpower revenue sharing, how are such workers to be guaranteed retraining? Given the inadequate level of manpower funding by the administration, how can these workers realistically depend on Federal job-producing manpower programs?

CANADIAN-AMERICAN AUTOMOTIVE PARTS AGREEMENT

The failure to promote American trade interests with greater vigor can be seen in the administration's and the committee's failure to take stronger action under the Canadian-American Automotive Parts Agreement of 1965. The committee report notes that the Canadians have still not dropped certain transitional restrictions against U.S. exports. As the report states:

> In the opinion of the committee our Government should obtain the termination of these transitional measures as soon as possible.

Largely as a result of this 1965 agreement, United States trade with Canada in automotive products declined from a favorable balance of $555 million in 1964 to a $1,375 million deficit in 1971. Although trade in automotive products has increased to 10 times its previous level, the increase has been heavily in Canada's favor.

The basic function of the agreement was to abolish all restrictions on automotive trade between the two countries—but this has yet to occur. Under annex—or amendment A—of the agreement, Canada was given certain favorable restrictions, which were meant to be temporary. These restrictions stipulate, basically, that only a governmentally recognized "manufacturer" can import U.S. auto items duty-free into Canada; the Canadian citizen buying a car directly from America would still pay a substantial duty. Canadian automotive imports, however, enter our country duty-free.

As I say, Mr. Chairman, these restrictions on U.S. exports were to be temporary. We were told by administration witnesses in 1965 that the Canadians would remove these restrictions by about 1968. The committee was also assured by Commerce Department officials that, despite the agreement, the United States would maintain a half billion dollar surplus in automotive products.

It is the possible repetition of this type of sloppy negotiation and protection of American interests that concerns me as we consider this new trade bill, with its enormous grants of discretionary authorities.

BALANCE-OF-PAYMENTS AUTHORITY—A NONSENSICAL GRANT OF AUTHORITY

Among the various provisions of H.R. 10710, perhaps section 122 relating to "balance-of-payments authority" is the strangest. It is an enormous grant of authority to the President. It cannot accomplish what it seeks to do—in fact, its use would probably cause more damage than benefit.

The section provides that—

> To deal with a large and serious United States balance-of-payments deficit.

And—

> To prevent an imminent and significant depreciation of the dollar in foreign exchange markets.

The President can proclaim a 15-percent, 150-day import surcharge and/or impose 150-day import quotas. Similarly, to prevent a "large and persistent" U.S. payments surplus or a "significant appreciation" of the dollar, the President may cut tariffs by 5 percent for 150 days or reduce import barriers.

There are any number of problems with this provision.

First, there is the problem of definitions. What is a "large and serious" deficit? How much is a "significant depreciation?"

Second, is it wise to grant import quota power, particularly since on the opposite page of the bill, it is stated that an American goal in GATT negotiations is to see that surcharges are the preferred means of handling balance-of-payments problems?

Third, how can a 150-day quota increase—or decrease—or a 150-day, 15-percent tariff increase—or 5-percent decrease—possibly solve a "large and serious" deficit—or surplus—or prevent a "significant" depreciation—or appreciation? The committee report sheds little light on the problem. For example, the report says:

> The committee does not intend that a small or even a large balance-of-payments deficit of short duration would warrant the exercise of the authority under this section. On the other hand, the U.S. balance-of-payments position in August, 1971, represents an example of a large and serious deficit that promises to persist over time.
>
> This provision is not intended, however, to provide authority to alter longer term trends in foreign exchange rates.

In early May, I wrote Secretary of the Treasury Shultz concerning the interest equalization tax legislation and the administration's plans to continue this tax which is designed to improve the balance of payments. As Secretary Shultz said to be in his reply letter of May 16:

> Controls constitute a distortion to the process of the market and deal with symptoms rather than with the fundamental economic forces at work.

I would suggest, Mr. Chairman, that a small 150-day surcharge is a control which might arrest the symptom but cannot alter the fundamental economic forces at work creating a serious deficit.

The imposition of this section would just disguise the balance-of-payments problem for a few months and once revoked, would simply result in renewed speculation for or against the dollar. It seems to me that speculative pressures could build up as the 150-day expiration date approached.

More importantly, underlying this whole section seems to be the idea of a return to fixed exchange rates. This return is implicit in the concern over the significant depreciation and appreciation of the dollar. In short, the United States—with little guidance and no real, clear debate in the Congress—seems to be moving back to the fixed rate system which has cost us so dearly in the last several years.

It is ridiculous to return to the fixed rate when the "dollar overhang" stands at about $100 billion. Most of this money is in the Eurodollar market, ready to flow in speculation against the target of a fixed dollar.

The desire to return to fixed rates appears to be a goal of the International Monetary Fund. During the last year of floating rates, the IMF has pretty much been a bureaucracy in search of a mission. But is it really necessary to return to the old system which allowed the dollar to get so far out of value and which resulted in an excessive flood of job-destroying imports? The floating exchange rates have weathered the severe political and economic troubles of the past 10 months and, second, world trade and investment have continued to expand. The new system has proven tough and serviceable and should be continued.

I fear that section 122 will simply be further excuse to move to a fixed rate for the dollar—a philosophy which over the past decade cost us hundreds of thousands of jobs because imports were more attractive than our exports.

ABSENCE OF FOREIGN INCOME TAX REFORM PROVISIONS

While the President's trade message talked about the need for tax reform in certain foreign trade and investment situations, the bill he sent to the Congress did not include any tax reform language. Once again, the administration failed to deliver on the issue of tax reform. Without administration support, the Committee did not take any action on tax reform. If the Congress does not take this opportunity to include foreign income tax reform within the trade bill, it will probably pass up its only relatively "veto-proof" opportunity during the remaining 3 years of this administration's tenure.

In addition to the tax-reform proposals "talked about" in the administration's trade message, it is now time to examine the use of the percentage depletion allowance and the foreign tax credit by American multinational corporations operating in nations which have embargoed shipments to the United States. Oil companies—with about 50 percent of their operations in the Middle East—now claim about $2 billion a year from the Treasury under the foreign tax credit provision. The percentage depletion deduction for overseas operations is about $3.5 billion annually. In essence, the taxpayers of America are helping support the treasuries of nations which have cut off critical supplies of oil.

In 1969, the House repealed the deduction for percentage depletion in foreign operations, since it did not encourage the development of secure, domestic resources. The other Chamber, however, restored this provision. While we might want to retain this provision for operations in countries which permit oil shipments to us, it certainly makes no sense to continue what is now a one-way foreign aid program to unfriendly countries.

INTERNATIONAL SALES CORPORATIONS

There is another area in international trade where tax reform is vital. In the Revenue Act of 1971, the Congress created a new tax privilege or subsidy known as DISC—Domestic International Sales Corporations. DISC was designed to encourage companies to set up export "subsidiaries," whose income from export sales would generally, be deferred. I recently asked the Treasury whether there was any proof that DISC's were resulting in increased export sales. I was told that over 3,000 DISC's had been created, but by the IRS's interpretation of the confidentiality laws, they could not even disclose the names of these corporations. Furthermore, no data was available as to whether this new loophole was actually resulting in increased exports. I have asked the GAO to provide me with information on the cost-effectiveness of the DISC provision. I am awaiting this study.

But DISC is having a result. In the budget speech delivered in the Canadian House of Commons on February 19, 1973, Minister of Finance and Member of Parliament, the Honorable John N. Turner explained, in part, the Canadian Government's decision to reduce the tax burden on industry as follows:

> These reductions will enable them (Canadian industry) to offset the serious competitive threat posed by the substantial tax subsidies for exports made available in the past year to U.S. corporations.

DISC will cost the Treasury hundreds of millions and gain us nothing, as country after country around the world sets up their own form of export subsidies. DISC should be eliminated before it costs any more in lost revenues and foreign retaliations.

THE TRADE BILL AND THE OIL CRISIS

As I said earlier, this is the wrong time to consider a major trade bill. A most serious, glaring problem in the bill is its failure to deal in any way with the energy and raw materials crisis. In short, the bill has been overtaken and rendered almost obsolete by the oil embargo. As Robert Gardner, law professor at Columbia University and a Deputy Assistant Secretary of State during the Kennedy administration said in his recent speech to the National Foreign Trade Convention:

> The Trade bill "has the appearance of a Rip Van Winkle who has returned to the international trade arena after a long sleep unaware that the most serious current threat to the economy of our country and that of our allies is the withholding of oil by the Arab countries.

The committee's report, printed at the start of the recent Middle East war, says that no attempt was made to develop a new energy import policy, but—

> It is the intention of the Committee to return to this important problem of establishing a rational and equitable allocation of imported energy resources.

It is obvious that the Committee will have to do a great deal more in the energy field—and hopefully soon.

It is one of the principles of the 1941 Atlantic Charter, signed by Roosevelt and Churchill, that after the war, all nations should have "access, on equal terms, to the trade and raw materials of the world." We are now being denied that access. And we are not doing anything about it.

Like most trade bills, this one focuses on entry to markets and totally fails to deal with the question of access to supplies. An amendment should be provided, giving the President the authority to deny our markets, exports and assistance to countries which wage economic warfare against us.

It has just come to my attention that the Soviet Union last month summarily cancelled its contracts to provide oil and gas to five Western European nations—in order to complement the Arab embargo.

The trade bill before us is heavily premised on such contracts, under which America would provide all of the capital investment and quite obviously could suffer the same fate.

CONCLUSION

I hope, at a minimum, that the Members of the House will support my amendment to deny credits to any nation which denies freedom of emigration. This language constitutes one of the few decent aspects of the bill. The adoption of this language will signal a clear-cut position of the American Congress to the Soviet leadership. This is an American trade bill and this Congress should work its will. Up to now, all trading between our two great nations has been conducted on Soviet terms. Genuine and long-term trade leading toward détente requires mutual give and take.

I believe in meaningful détente—developed and not purchased—based on mutual trust and respect among our peoples.

I want to express my thanks and admiration to my colleagues in the House who have stood by the great principles expressed in the freedom of emigration amendment. Their ufaltering commitment has done much to preserve the humane standards which make our Nation so great.

If our amendment is adopted—each Member must individually judge the merits of the rest of the bill.

As far as I am concerned, a vote for or against final passage is unrelated in any way to one's position on the freedom of emigration amendment. If the bill passes with the amendment, it places our potential new trading partners on notice of the conditions which we believe are necessary before trade can proceed. If the overall bill is defeated, it still serves notice on these countries of what we expect. If the credit ban dies

with this bill, it will be included in other legislation—such as the Export-Import Bank extension now moving forward in the other Chamber.

The adoption of the amendment is a clear and unmistakable sign of where the Congress stands on this issue. Regardless of whether-or-not a bill passes, the amendment serves notice to other nations of our feelings on this fundamental question of human rights; it telegraphs to them the steps they will have to take before full trade eventually commences.

Mr. ULLMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. BOLAND) 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. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

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

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

There was no objection.

STEWART AGAINST KYROS, COHEN, ET AL.

The SPEAKER laid before the House the following communications, which were read:

[In the U.S. District Court for the District of Maine, Southern Division, Civil Action File No. 14-115]

SUMMONS IN CIVIL ACTION

Paul K. Stewart, of Portland in the County of Cumberland and State of Maine, Plaintiff, v. Peter N. Kyros, member of the United States Congress from Maine, of Portland in the County of Cumberland, and William S. Cohen, member of the United States Congress from Maine, of Bangor in the County of Penobscot and State of Maine; Carl Albert, Speaker of the United States Congress from Oklahoma, and having an office and place of business as Speaker in Washington in the District of Columbia; and the New York Times Company, publishing a daily newspaper in the City and State of New York, Defendants.

To the above named Defendants: You are hereby summoned and required to serve upon Paul K. Stewart, Esq., plaintiff's attorney, whose address is 193 Middle Street, Portland, Maine 04111 an answer to the complaint which is herewith served upon you, within 60 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

MORRIS COX,
Clerk of Court.
ELISE H. CLARITY,
Deputy Clerk.

[Seal of Court.]
Date: December 6, 1973.

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., December 10, 1973.

Hon. PETER MILK,
U.S. Attorney for the District of Maine, Federal Court House, Portland, Maine

DEAR MR. MILK: I am sending you a copy of a Summons and complaint in Civil Action No. 14-115 in the United States District Court for the District of Maine, Southern Division, against me in my official capacity as Speaker of the House of Representatives, received by certified mail on December 10, 1973.

Representatives Peter N. Kyros and William S. Cohen, both of Maine, have also received by certified mail copies of the Summons and complaint.

In accordance with the provisions of 2 U.S.C. 118, I respectfully request that you take appropriate action, as deemed necessary, under the supervision and direction of the Acting Attorney General in defense of this suit against the Speaker of the House of Representatives. I am also sending you a copy of the letter that I forwarded this date to the Acting Attorney General of the United States.

Sincerely,

CARL ALBERT.

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., December 10, 1973.

Hon. ROBERT H. BORK,
Acting Attorney General, Department of Justice, Washington, D.C.

DEAR MR. BORK: On December 10, 1973, I received by certified mail a Summons and complaint in Civil Action No. 14-115 in the United States District Court for the District of Maine, Southern Division. A copy of the Summons and complaint is enclosed herewith. Representatives Peter N. Kyros and William S. Cohen, both of Maine, have also received Summons and complaint in the action.

In accordance with the provisions of 2 U.S.C. 118, I have sent a copy of the Summons and complaint in this action to the U.S. Attorney for the District of Maine requesting that he take appropriate action under the supervision and direction of the Acting Attorney General. I am also sending you a copy of the letter I forwarded this date to the U.S. Attorney.

Sincerely,

CARL ALBERT.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE CONFERENCE REPORT ON H.R. 11324

Mr. McFALL. Mr. Speaker, at the request of the gentleman from West Virginia (Mr. STAGGERS), the chairman of the Committee on Interstate and Foreign Commerce, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a conference report on the bill H.R. 11324.

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

There was no objection.

CONFERENCE REPORT (H. REPT. No. 93-709)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11324) to provide for daylight saving time on a year-round basis for a two-year trial period, and to require the Federal Communications Commission to permit certain daytime broadcast stations to operate before local sunrise, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Emergency Daylight Saving Time Energy Conservation Act of 1973".

SEC. 2. The Congress hereby finds and declares—

(1) that the United States faces severe energy shortages, especially in the winter of 1973-1974 and in the next several winters thereafter;

(2) that various studies of governmental and nongovernmental agencies indicate that year-round daylight saving time would produce an energy saving in electrical power consumption;

(3) that daylight saving time may yield energy savings in other areas besides electrical power consumption;

(4) that year-round daylight saving time could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, that such energy conservation efforts could lead to greatly expanded energy savings and help meet the projected energy shortages, and that such energy conservation efforts could include but not be limited to such actions as—

(A) lowering office, home, and store thermostats several degrees;

(B) limiting unnecessary automobile travel and holding down the speed of necessary automobile travel;

(C) using energy efficient automobiles;

(D) using public transportation whenever possible;

(E) turning off office air-conditioners and heating plants an hour earlier in the afternoon; and

(F) limiting unnecessary use of electric lights;

(5) that the use of year-round daylight saving time could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunity through extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community; and

(6) that the emergency nature of an energy shortage require the temporary enactment of daylight saving time.

SEC. 3. (a) Notwithstanding the provisions of section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)), the standard of time of each zone established by the Act of March 19, 1918 (15 U.S.C. 261-264), as modified by the Act of March 4, 1921 (15 U.S.C. 265), shall be advanced one hour and such time as so advanced shall for the purposes of such Act of March 19, 1918, as so modified, be the standard time of each such zone; except that any State with parts thereof in more than one time zone, and any State that lies entirely within one time zone and is not contiguous to any other State, may by law exempt the entire area of the State lying within one time zone from the provisions of this subsection.

(b) Notwithstanding any other provision of law, if a State, by proclamation of its Governor, makes a finding prior to the effective date of this Act, that an exemption from the operation of subsection (a) or a realinement of time zone limits is necessary to avoid undue hardship or to conserve fuel in such State or part thereof, the President or his designee may grant an exemption or realinement to such State.

(c) Any law in effect on October 27, 1973, adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone, or adopted pursuant to section 3(a)(1) of such

EFFECTIVE DATES

House Bill

Section 6 of the House bill provided that it would take effect on the first Sunday occurring more than 15 days after its enactment and would terminate on the last Sunday in April of 1975. During this period the provisions of the Uniform Time Act of 1966 would be superseded.

Senate Amendment

As noted earlier in this joint statement, section 3(c) of the Senate amendment added a new subsection (b) to section 3 of the Uniform Time Act of 1966 under which the one-hour time advancement required by the Senate amendment would be effective from the fourth Sunday after enactment to the last Sunday in April of 1974, and again from the last Sunday in October of 1974 to the last Sunday in April of 1975. During the two periods from the last Sunday in April to the last Sunday in October of 1974 and 1975 section 3(a) of the Uniform Time Act of 1966 would continue in effect.

Conference Substitute

The conference substitute follows the House bill in providing for a continuous period of required advanced time until the last Sunday in April of 1975, but it follows the Senate amendment in providing that such period will begin on the fourth Sunday after enactment of this legislation.

In order to avoid any possible misunderstanding, the conferees wish to emphasize that during the operative period of this legislation, except as expressly provided, the several States will not be able to exercise the available option under section 3(a) of the Uniform Time Act of 1966 to exempt a State by law from the observance of advanced time. However, after the termination date of this legislation on the last Sunday in April 1975, the Uniform Time Act of 1966 will resume in full force and effect.

Thus, when section 3(a) of the Uniform Time Act of 1966 does become effective again, State laws enacted under the exemption authority contained therein will again become effective and States which have not enacted such laws will again be permitted to exercise all of the exemption authority granted by such section, i.e., any State may exempt the entire State, whether or not it lies in more than one time zone, or may exempt that part of the State which lies in one time zone, in the same manner as before this legislation was enacted.

HARLEY O. STAGGERS,
JOHN E. MOSS,
BOB ECKHARDT,
JAMES T. BROYHILL,
JOHN H. WARE,
Managers on the Part of the House.

WARREN G. MAGNUSON,
JOHN O. PASTORE,
ADLAI E. STEVENSON III,
NORRIS COTTON,
J. GLENN BEALL, JR.,
Managers on the Part of the Senate.

HOUR OF MEETING ON TUESDAY, DECEMBER 11, 1973

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. tomorrow, Tuesday, December 11, 1973.

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

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. DANIELSON. Mr. Speaker, on Tuesday, December 4, 1973 on rollcall vote No. 619 on House Resolution 725, to make it an order to consider the conference report on S. 1443, the Foreign Assistance Act of 1973, I was shown as not voting. I was present and voted "aye."

THE ADMINISTRATION'S TRADE BILL IS WORSE THAN NO BILL AT ALL

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

Mr. BURKE of Massachusetts. Mr. Speaker, in a short time we will be taking up the Nixon administration's trade bill (H.R. 10710). This is neither the time nor is it the right climate to be discussing this legislation. The Middle East situation is of such a serious nature that a reasonable postponement is in order. This bill does not contain safeguards against the rise in unemployment that will result if this bill passes. The energy crises will be worsened if this bill passes because there are no provisions in the bill to provide for an equitable and fair allocation of imported oil. As every Member of this House knows I am strongly opposed to this bill because it places in the Executive more power than any President ever had. It violates section 8 of article 1 of the U.S. Constitution and transfers the power and authority of regulating trade from the Congress to the President. Congress has already abdicated too much power to the White House. We are witnessing throughout the Nation high inflation, devaluation of the dollar, and loss of jobs, and one might say we are being reminded of the "days of Herbert Hoover" all over again.

I include a letter opposing the bill signed by George Meany, president of the American Federation of Labor and Congress of Industrial Organizations and also to include a pamphlet put out by the AFL–CIO, entitled "The Administration's Trade Bill Is Worse Than No Bill at All:"

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., December 5, 1973.

Hon. JAMES A. BURKE,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BURKE: Next week, the House will be voting on the Nixon Administration's trade bill (H.R. 10710).

The AFL–CIO finds this bill worse than no bill at all. We urge that you vote to defeat it.

As it now stands, the bill has been written almost completely to White House specifications. Its key feature is the grant to the President of unprecedented and sweeping new executive powers which he may use—unhindered by the normal restraints of Presidential powers—to permanently alter the structure of foreign trade and the structure of the U.S. economy.

The one feature of the measure not written to White House specifications, however, concerns the granting of most-favored-nation status to the Soviet Union. Title IV denies the extension of MFN to nations unless they permit free emigration. Further, under procedures allowed in the rule, an amendment will be offered to this provision by Rep. Charles Vanik (D. Ohio), which would deny the extension of credits by the United States to the Soviet Union.

The AFL–CIO supports these restrictions on the extension of MFN to the Soviet Union, and urges you to support Title IV and vote for the Vanik amendment. We would then urge you to vote to defeat the entire bill.

We believe that the far more logical approach to the pressing problems created by this nation's trade policies and by the growing world-wide energy crisis is for the House to reject the bill now before it and turn to writing a new trade bill in 1974 when the present turmoil of events does not cloud the scene. A strong, assertive trade bill in 1974 should, of course, contain strong restraints on MFN and credits to the Soviet Union.

Consider these facts:

The present trade bill has been withdrawn from floor action three times because of "unfavorable" events;

The bill's strongest backers admit publicly that support for the bill is eroding;

The N.Y. Times reported on December 4 that "higher unemployment next year" would reinforce strong opposition to the bill;

The Common Market nations and Japan quickly capitulated in the face of the Arab oil embargo, demonstrating their overriding concern with putting their own economic self-interests ahead of any American considerations.

In view of the fact that world-wide rapid change are occuring which will deeply affect not only the American economy but America's position with respect to trade with the rest of the world, approval of an Administration trade bill tailored to a set of circumstances which are being obsolete with each passing hour would be the height of folly.

Sincerely,

GEORGE MEANY,
President.

Enclosure.

THE ADMINISTRATION'S TRADE BILL IS WORSE THAN NO BILL AT ALL.

The United States is suffering major problems of trade deficits, devaluations, inflation and an eroding industrial base. Each passing month brings more distortions in trade, more manufactured goods imported, more scarce raw materials and agricultural products exported, more twists and turns that wrack our economy and cry out for rational solution.

Instead of facing up to these problems of the Seventies, the Administration's Trade bill (H.R. 10710) is a re-run of the past trade policies that are now outdated and unrealistic. It is also a dangerous abdication of congressional authority that can cause far-flung harm to U.S. industry, business, consumers and workers.

I. THE BILL FAILS TO MEET AMERICA'S PROBLEMS

It fails to provide even a minimum program to regulate the flood of imports which are wiping out jobs and whole industries at a devastating rate. In the first half of 1973, imports rose by 23.6 percent over the like period of last year, and U.S. prices of imports rose by 25 percent in the same period.

It contains no provisions for the regulation of U.S.-based multinationals which export capital, jobs, production and technology abroad, then ship goods back to the U.S. as imports and/or displace U.S.-made goods in export markets.

It does nothing to close the present lucrative tax loopholes for American-based multinationals which make it more profitable for them to locate and produce abroad. These tax loopholes cost the U.S. some $3 billion a year in badly-needed revenue.

It takes no recognition of the loss of more than a million jobs and job opportunities in the U.S. since 1966 under present foreign trade and investment policies. It provides no

assurance to either workers or industries that the future strength of America's industrial base will be protected.

II. THE BILL MAKES AMERICA'S PROBLEMS WORSE

The thrust of the bill's authority toward tariff cuts will accelerate imports. This will encourage still more U.S. industries to relocate abroad as their "defense" against imports.

The bill's authority for negotiating away non-tariff safeguards as "impediments" to trade endangers present laws on product safety, consumer protections, environmental standards and other domestic safeguards. International trade agreements altering or eliminating these laws at the federal, state and local level will be packaged for presentation in such a way as to make rational evaluation by Congress impossible.

The bill would permit special "zero tariffs" on imports from so-called emerging nations such as Taiwan, South Korea, Singapore, Haiti and other low-wage enclaves which already have taken over huge segments of production of U.S. electronics, textiles, apparel, and shoes. This will encourage more U.S. industries to abandon U.S. workers and move production to these preferential areas.

The bill relinquishes important trade powers of the Congress to the President. It gives him unprecedented authority. Congress would have only veto power over agreements on an up or down basis that would preclude effective assertions of congressional will.

The bill re-runs the illusion of help for imported-injured workers through the federal dole of "adjustment assistance." This concept is a proven failure at meeting the real problems of import damage for both workers and industry. Under the present adjustment assistance program, only some 50,000 workers have received assistance in more than 10 years.

The bill gives the President sweeping power, in the name of fighting inflation, to negate the present weak laws concerning countervailing duty, escape clause, and anti-dumping. The President can, immediately upon enactment, arbitrarily increase the imports of goods from any country, eliminate voluntary agreements, end import restraints and suspend laws now in effect.

An extension of credits and most-favored-nation status to countries that deny their citizens basic liberties would be a direct slap at our democratic trading partners and should be denied.

STRONG LEGISLATION IS NEEDED

Strong trade legislation is needed, but it is far more preferable to start anew in January on a meaningful trade bill that will meet the nation's problems than to proceed with legislation that will extract a disastrous toll of jobs, industries and national well-being. A vote against the bill is a first step towards the consideration of new and effective trade legislation.

American workers in aircraft, chemical and allied products, steel, steel products, apparel, rubber, shoes, electronics, stone, clay and glass, textiles transportation, construction, services, education, food processing and scores of other occupations urge you to defeat the Administration's trade bill.

Defeat H.R. 10710, the Administration's Trade Bill.

NATIONAL PROTECTION ACT

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

Mr. BLACKBURN. Mr. Speaker, I have come to the conclusion that the present trade policies of this administration relative to trade with the Soviet Union and the Iron Curtain bloc countries is endangering the United States. I have concluded that present trade policies are resulting in the transfer to the Soviet Union of technology which will have an immediate use in increasing the military strength of the Soviet Union. I have also concluded that the transfer of technology and American capital goods will allow the Soviet Union and the Iron Curtain bloc countries to compete on an unfair basis with American industries and American workingmen by using the benefit of Communist slave and nonfree labor.

Mr. Speaker, I bring these remarks to the attention of the House because we should have this in mind when we are considering the trade bill that will be considered today and tomorrow.

I am inserting some prepared remarks in the RECORD at this point, to which I invite the attention of my colleagues so that they too can be aware of the danger being presented to American security as well as her economic interest by reason of the administration's trade policies.

NATIONAL PROTECTION ACT

The purpose of my act will be to prevent the exportation of American products, including agricultural commodities, technology, scientific accomplishments, and capital equipment, or reexporting of the same, to any country which takes actions to harm the U.S. economy or endanger the security of the United States.

A. PROTECTION OF THE AMERICAN ECONOMY

The present policies of this administration of allowing the indiscriminate exportation of American capital goods and technology to countries possessing both abundant natural resources and utilizing slave labor poses a serious threat to the competitive position of America's economy in world markets. The threat is twofold: First, a threat to the employment of skilled American labor which should not be expected to compete with slave labor; second, a threat to American industry which has developed a high degree of technology and sophistication in production under the stimulus of a competitive and market-oriented economy.

Today, it is recognized by any serious student of international economics that the Soviet Union and her Communist allies are suffering from a lagging economy in spite of an abundance of raw materials, space, and skilled labor. Their lagging economies can be traced in large measure to the stulifying effects of a heavy-handed bureaucracy dominated by political considerations and the lack of stimulus of competitive enterprises in which the innovation of man's imagination can be brought into full play. The stultifying influence of these factors is best reflected in the lack of notable advancement in new technology and imaginative management for the development for the development of a healthy domestic economy. The leadership of the Soviet Union, as the leader of the Communist-dominated Eastern bloc countries, itself now recognizes their inability to meet the challenge of American technology. They are incapable of developing even the natural resources within the confines of their own boundaries.

The backward nature of Soviet technology should be an embarrassment to the Soviet leadership, but they have fouund a way to avoid the economic effects of such embarrassment. They have found that the American Government is now willing to make available to them technology which their economy has proven incapable of developing. Thus, present trade policies of the United States are making available to the Soviet Union, and her allies, the fruits of America's industries, her scientists, and her workers.

If we could feel that the Soviet leadership would accept such bounties in the spirit of fair competition for world markets and for the primary purpose of development of her domestic economy, with the benefits to flow primarily to the Soviet worker and the Soviet citizen, than we would have no need to view the receipt by her of such technology with serious misgivings. From all visible signs, however, it appears that the Soviet Government's intention is to use America's finest scientific and technological developments to further the expansion of her military capability while, at the same time, exploiting the citizens of her country for slave labor purposes in order to disrupt the Western economy, including that of the United States.

Last February, the Subcommittee on Internal Security of the Committee of the Judiciary of the U.S. Senate held public hearings on the Soviet labor camps—see publication "U.S.S.R. Labor Camps" by the Judiciary Committee. The hearings confirmed previous estimates that about 25 percent of the Soviet labor force consists of slave laborers. These soviet subjects are placed in prison camps behind barbed wire under the guise that they are either politically unreliable or socially parasitic, and that they need the benefits of political and social reeducation. They are primarily utilized in Soviet basic industries in the Asiatic part of the Soviet Union—beyond the Ural Mountains and in Siberia. The rest of the Soviet labor force is in only a slightly better situation. They do not live in forced labor camps and under brutal control of sadistic guards, but they lack all basic freedoms common to their counterparts in the free world. Soviet workers are not free to bargain for the sale of their services to the only employer in the U.S.S.R., namely, the Communist state apparatus. Soviet nonslave workers are assigned to their jobs by the Communist aparatchicks of the Soviet government. Their meager wages are determined by the bureaucrats of the Soviet State Planning Commission. In other words, Soviet workers are not permitted to organize into free and independent labor unions in order to be able to obtain sufficient strength to negotiate on an equal footing with their employer—the Soviet government. Consequently, we have a phenomenon of a desperately underpaid and exploited labor force.

It is a common practice for the Soviet Union to dump products in the markets outside of its borders. There are numerous examples of semifinished products and products dumped in the world markets, to mention just a few: petroleum, natural gas, automobiles, various agricul-

tural products, coal, chrome, motorcycles, steel, copper, vodka, and so forth.

On November 26 of this year, the Wall Street Journal presented an article dealing with the increasing degree of dumping on the Western markets of automobiles now manufactured in the Soviet Union and other Communist bloc countries. The base for manufacture of these cars was Western technological know-how and Western capital equipment provided to the Soviet Union on credit. Officials in the automotive industry have observed that the automobiles being exported by the Soviet Union into Western Europe are being sold at an unrealistically low price.

Such dumping makes little sense to a business- and profit-oriented Western observer, but to a Soviet Government, whose first consideration is political advantage, the disruption of a Western market is more important than any potential profit which they might be currently foregoing. For us, however, to improve their ability to carry out their economic warfare upon any of the Western markets is a form of economic insanity for which we have no one to blame but ourselves. The purpose of my legislation is to insist that our Government officials take into account the potential market disruptions with resulting high unemployment and economic distress in our country before we continue to allow the transfer of sophisticated technology and capital goods.

If the Communist governments were paying in hard cash or gold for the capital goods and technology, one could argue that the sales are improving America's balance of payments as well as our balance of trade. Such is not the case. We are transferring at a staggering pace benefits to the Soviet Union and her satellites and receiving in turn I O U's of questionable value, I O U's which, at best, can only be repaid out of the proceeds of exploitation of slave labor and at the cost of unemployment and economic disruptions in our realm.

B. PROTECTION OF NATIONAL SECURITY

The other area of national concern adversely effected by the transfer of American technological know-how, capital equipment and scientific achievement to the Soviet Union and Warsaw Pact nations is that of national defense. A 10-year study by the prestigious Hoover Institute at Stanford University establishes that the Soviets have been unable to develop a technology worthy of the description "advanced." Most of Soviet technology, probably as high as 90 percent, is imported from the West, copies from the West, or obtained via military and industrial espionage. The primary beneficiary of the transfer of Western technology has been the Soviet military-industrial complex, and ultimately Soviet military power.

For example, the sale of an American scientific computer to the Soviet Union has enabled the Soviet military to shorten by about 2 years the time required to create and perfect their first MIRV—multiple independent reentry vehicle—the only area of sophisticated military technology in which the United States had enjoyed a definite lead. The American strategic advantage due to existence of our MIRV's has been erased by a successful test of a Soviet MIRV SS-18.

We have received disturbing reports regarding a continuing and increasing flow of sophisticated American technology to the Soviet Union and to some of the Warsaw Pact governments. Most of the technology being transferred has a direct military application.

Transfer of American capital goods and technological know-how having an immediate military utility to the Soviet Union and Warsaw Pact governments is, to me, a direct contribution to the Soviet's ability to ultimately destroy our country and our allies.

What is more probable than a military conflict involving nuclear destruction of both the United States and the Soviet Union is the successful intimidation by a militarily superior Soviet Union of the United States. Such intimidations, made possible by a clear military superiority, would be manifested by a series of confrontations resulting in a succession of concessions by this country. Each concession being a surrender of something of economic—and concomitant military—value to the United States, thus further tilting the balance of military superiority in favor of the Soviet Union with a reduction in military capability of the United States. The final result of such concessions would, of course, be a United States incapable of defending itself against the Soviet threat with the leadership of America being finally forced to surrender the very liberties, as well as the possessions, of the American people to an ambitious and aggressive Soviet menace.

If my conviction about the aims of the Soviet Government were the result of my own personal speculations, I would not expect the President, the Congress, or the people of the United States to give attention. In fact, I wish that my conclusions were peculiar to me alone. It would give me some reassurance to suppose that my imagination was being dominated by fears peculiar to me, and to me alone. Such source of comfort does not now present itself.

Many writers, serious students of communism and of the Soviet affairs such as Prof. William Van Cleave from the University of Southern California, Prof. Anthony Bouscaren, Prof. Gerhart Niemeyer of Notre Dame, Dr. Slobodan Draskovich, Dr. Charles Baroch, Prof. Anthony C. Sutton of Hoover Institute at Stanford University, and many others have reached the same dreadful conclusion. I would invite your attention to Prof. Bouscaren's work "Is the Cold War Over?", Dr. Draskovich's excellent study "Will America Surrender," and Prof. Sutton's penetrating analysis "National Suicide"—subtitled "Military Aid to the Soviet Union."

But it is not enough that I should call to your attention the writings of scholars of international stature on the subject of Soviet goals and purposes. We need not speculate on the basis of inferences drawn from past actions. We can find from the mouths of the Soviet leadership itself statements of intentions which bode only ill for the Western world.

One no less than Leonid Brezhnev, the Soviet Communist Party leader, the unquestioned spokesman for the Soviet Government in both domestic as well as international matters, has made clear the Soviets' intentions for the foreseeable future. When questioned by other leaders in the Communist government of Soviet Russia as well as other Communist leaders in the Iron Curtain countries about the true meaning of accommodation with the West, Mr. Brezhnev's response was clear and, to date, unchallenged. In effect, Mr. Brezhnev reassured the leadership of the Communist world that détente was merely a period for strengthening the Soviet economy through the utilization of Western technology while continuing the pursuit of clear Soviet nuclear and other military superiority over the West. A Western intelligence summary of Mr. Brezhnev's reassurances to his Communist allies is worthy to be repeated:

> To the Soviet Union, the policy of accomodation does represent a tactical policy shift. Over the next 15 or so years, the Soviet Union intends to pursue accords with the West and at the same time build up its own economic and military strength.
>
> At the end of this period, in about the middle nineteen-eighties, the strength of the Soviet bloc will have increased to the point at which the Soviet Union, instead of relying on accords, could establish an independent superior position in its dealings with the West.

The famous words, that Vladimir Lenin—the founder of the Soviet Communist State—once used to describe a capitalist as "a man who will sell you the rope that will be used to hand him," are the best illustration of the mentality of those persons in the United States who are involved in transfer of sophisticated technology, scientific achievements and capital equipment on credit to the U.S.S.R.

Recent reports about agreement signed by General Dynamics Corp., which, we would like to stress is one of the Nation's largest defense contractors and the Soviet Union's State Committee for Science and Technology is extremely disturbing. The 5-year agreement for scientific and technological cooperation covers such defense related fields as ships and shipbuilding, telecommunications equipment, asbestos mining and processing, commercial and special purpose aircraft, computer-operated microfilm equipment, and navigation and waterbuoys.

Control Data Corp. has also recently signed a broad agreement for scientific and technological cooperation with the State Committee of the Soviet Union's Council of Ministers for Science and Technology. That accord calls for cooperation in the joint development of advance computer technology and related services. This agreement will transfer to the Soviet Union a knowledge of computer techniques that it does not now possess. But, will that be in this country's interest? The most recent and most disturbing news is about a deal between the Fairchild Corp. and the Communist government of Poland for the sale of U.S. integrated circuit technology, which is extensively used in modern weapons sys-

tems as well as in advanced computers.

All these have been made possible by the policy of the drastically pared list of commodities embargoed for export to the Soviet Union for strategic reasons and by the practically dismantling of the office of Export Control in the U.S. Department of Commerce.

What is so incredible to me is the willingness of our Government's officials to believe that we will receive one whit of technological improvement from these so-called scientific discussions. If we have received any improvement in either domestic or military technology as a result of a discussion with a Soviet scientist the fact has never been made public and I would challenge our Government officials to make known such benefits if such have ever been received. To term scientific discussions with Soviet scientists and technicians as "mutual exchanges" is a thin facade which can be best described as an absolute fraud on the American public. There is only one beneficiary of such "scientific exchanges" and that beneficiary is the Soviet government and the Soviet military machine.

The military technical virtuosity of some of the Soviet weapons which have been in the spotlight during and after the most recent Middle East conflict has forced upon me and my colleagues in Congress disquieting thoughts which require not only the reevaluation of the entire concept of détente but also reevaluation of the premises of our trade with the Soviet Union. The SAM-6 surface-to-air missile, for example, changed Western preconceptions about how the struggle in the Middle East would go by its extraordinary effectiveness—an effectiveness which, for a time, denied Israel air supremacy in the Suez Canal zone.

This country has no comparable weapon, nor does the United States Air Force now have any reliable means to counter this missile should American planes have to fight in a war with a country having the SAM-6 mobile missile launchers. Impressive too, is the new Soviet antitank missile, a weapon directed by infrared rays and the 3-ton Frog-7, the Soviet missile that sent 1,100-pound warheads crashing down on villages in the Central Galilee.

The impression is inevitable that the Soviet Union has concentrated its resources of scientific and technological talent overwhelmingly on military needs—including the military related space programs—while totally neglecting civilian technology. Moscow is asking now that the United States play a major role in repairing the backwardness of the Soviet civilian technology on the one hand and military technological shortcomings due to the lag in the computer field.

The Middle Eastern war has demonstrated the Soviet understanding of détente. They have armed Arabs and pushed them into the war against Israel and by doing so they have violated the obligations undertaken under the Basic Principles of Relations which were signed in Moscow in 1972 and reaffirmed in Washington last June.

In these circumstances, is it now wise to take another hard look whether this country should provide the Soviet Union with any kind of technological assistance? And, in taking that second look, account ought to be taken, too, of the recent reports about the spectacular rise in the Soviet tank strength in Central Europe as well as the 50-percent increase in Soviet tactical airpower in that area.

Similar consideration is due the gigantic Siberian natural gas deals that Moscow is seeking to conclude with some American companies. The energy crisis is real enough, but is dependence upon Soviet oil or gas the way out of the Nations' problems?

A negative answer is unavoidable. This is particularly true at this time when the Arab nations have put an oil and natural gas embargo on the United States. I personally harbor a deep suspicion that the use of oil as a weapon for political purposes was the brain-child of the Soviet Government. If the Soviets would encourage others to use energy as a political weapon, can any rational man doubt that they would use the same weapon when possessed by her and when it suits her own political purposes? The Arab move ought to teach the United States that political use of economic levels is likely to be a major and increasing feature of the world scene from now on. The Arabs are now punishing this country, Western Europe and Japan for their support of Israel.

The motives for a possible future Soviet cutoff of energy shipments to this country could arise from any of the numerous areas of potential confrontation between Washington and Moscow. More than ever, therefore, the question now arises why the United States should put this potential energy weapon in Moscow's hands and pay billions of dollars in capital investments for the privilege of doing so. President Nixon's recent suggestion that this country become self-sufficient in energy seems to point toward a much wiser geographic focus of future American energy investment.

The Middle East crisis and then the frightening Soviet-American confrontation of October 24–25, should help put sober calculation in place of euphoria.

The experience of the recent Middle East war and concerted Soviet effort to promote instability around the world point up to the lack of any substance in any claims by those that détente has meant a de facto improvement in American-Soviet relations. The experience is to the effect that the Soviet global intentions did not change. Dr. Kissinger recognizes it, however, he is unwilling to act. The President recognizes it and, therefore, his decision that we should be self-sufficient in the area of energy needs. Our Western European allies realize it, too. Recently, at the Moscow talks, Sir Alec Douglas-Home renewed the Western position on relaxation of barriers to East-West contact, in reply to the Soviet Foreign Minister Gromyko's position has stated, "We do look for practical ways of bringing people together, in other words, for a true détente in practice, rather than just in words." And the French Foreign Minister Michel Jobert called for strengthening of Western Eupean defenses in face of de facto Soviet foreign policy.

I would like to point out that the Soviet strategy in the Middle East by encouraging the oil embargo had as objective creation of dissension in the NATO and ultimately to weaken the capability and will of the Western World to defend itself.

INTRODUCTION OF PATENT MODERNIZATION BILL

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

Mr. SMITH of New York. Mr. Speaker, there are currently pending in the House of Representatives two bills proposing revision of the patent laws of the United States. One is H.R. 7111 which is the counterpart of S. 1321, the so-called Hart bill. The other is H.R. 10975 the admintration bill. Each of these pending bills, while possessed of worthy objectives, has been criticized for various aspects in their rigorous and meticulous detail as to procedure, which would threaten to deny access to patenting to all but larger and adequately capitalized entities. It seems, therefore, important that this House also have before it for consideration a bill providing improved quality of patents, public participation in the patenting process and promotion of early disclosure of patentable advances without stifling, hobbling, and impeding the incentives to invent and to disclose, develop and invest risk capital in inventions.

For this and other purposes I am today introducing the patent law modernization bill. It is presented by the American Patent Law Association and is the product of long and intensive labors by that association and by members of the Patent, Trademark, and Copyright Section of the American Bar Association. No patent modernization bill should be insensitive to promotion of incentive to patent as respects individual inventors and small technically oriented companies. It should not place an unreasonable financial burden on the public, on inventors or on industry in general. The patent system can lose much, if not all, of its attractiveness to individuals and small companies by increasing costs of patenting to such an extent that those categories are priced out of the market.

We must be especially sensitive to the maintenance of the patent system as a viable vehicle by which the individual inventor and the small company can retain the incentive for research and development which the patent system has traditionally provided and must continue to provide. The patent law modernization bill, which I am introducing today, is reasonably designed to accomplish these purposes.

There has for some time been concern by inventors, industries and the patent bar over the considerable number of litigated patents which have been invalidated by the U.S. courts. It is thus desirable to improve, within reasonable bounds, the patent examining process in order to improve the quality of patents.

The prime factor in patent invalidity is the belated discovery in the course of litigation of patents and publications which constitute prior art against the

House of Representatives

TUESDAY, DECEMBER 11, 1973

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

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

The Lord will give grace and glory; no good thing will He withhold from them that walk uprightly.—Psalms 84: 11.

O Lord, our God, unto whom all hearts are open, all desires known and from whom no secrets are hid, bless us with Thy presence as we wait upon Thee in prayer. By Thy grace may we discharge our duties with diligence, carry our responsibilities with firm faith and live our lives with the light of love aglow within us.

Help us to turn our wayward and our worried hearts to Thee. Set us free from the failures of the past, the faults of the present, and the false hopes of the future. Grant unto us the courage to turn from evil ways and the confidence to come to Thee who forgives and cleanses and heals.

We pray for these leaders of our country. Do Thou so rule their spirits and so reign in their hearts that what they do may be for the welfare of our people and the well-being of all mankind.

In Thy holy name we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 642]

Abdnor	Dingell	Hébert
Adams	Dulski	Heinz
Alexander	du Pont	Horton
Anderson, Ill.	Erlenborn	Huber
Aspin	Eshleman	Hunt
Badillo	Fish	Jarman
Blatnik	Fisher	Landrum
Bolling	Flowers	Long, La.
Brown, Calif.	Flynt	Long, Md.
Buchanan	Foley	McDade
Burke, Calif.	Frey	Macdonald
Byron	Fuqua	Mailliard
Carey, N.Y.	Giaimo	Mann
Cederberg	Goodling	Matsunaga
Chisholm	Gray	Mills, Ark.
Clark	Green, Oreg.	Mink
Clay	Hammer-schmidt	Minshall, Ohio
Collier	Hansen, Wash.	Nichols
Collins, Tex.	Harsha	Peyser
Conyers	Harvey	Reid
Dellums	Riegle	Reuss
	Rooney, N.Y.	Taylor, Mo.
	Ryan	Teague, Tex.
	St Germain	Thompson, N.J.
	Sandman	Tiernan
	Shoup	Vander Jagt
	Stanton, James V.	Veysey
	Stokes	Waggonner
		Walsh
		Wampler
		Ware
		Wilson, Charles, Tex.
		Wyatt
		Wydler
		Young, Fla.
		Zablocki

The SPEAKER. On this rollcall 347 Members have recorded their presence by electronic device, a quorum.

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

TRADE REFORM ACT OF 1973

Mr. ULLMAN. 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 bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 10710, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose on yesterday the gentleman from Oregon (Mr. ULLMAN) had 1 hour and 19 minutes remaining and the gentleman from Pennsylvania (Mr. SCHNEEBELI) had 1 hour and 31 minutes remaining and the gentleman from Pennsylvania (Mr. DENT) had 19 minutes remaining. Before rising the gentleman from Oregon had yielded back the remainder of his time, reserving 20 minutes for himself, and the gentleman from Pennsylvania (Mr. SCHNEEBELI) had yielded back the remainder of his time, reserving 20 minutes for himself.

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

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

Mr. DENT. Mr. Chairman, I just want to remark that I have seven daily newspapers in my district and this is the only notice that I have seen in those newspapers at any time mentioning the trade bill. What I am trying to say is that I believe the American people have little or no idea of the seriousness of the problem before us today.

Nations since the beginning of time have tried to shape their own destinies. We are now in the midst of an era in history when we no longer can guide our own economies and establish our own taxes or do anything on our own to better the way of life of our people. We are each day becoming increasingly at the mercy of the stateless, soulless, anomalous corporate entities.

We started out in this country first with the conglomerate, which later stretched its tentacles into foreign countries and became a multinational. The next step on this road to stateless entities is the so-called transnational, and then eventually we will be in what is called the cosmo corporation which is being engineered by no less than George Ball, who engineered the trade bill we are living under today when he presented to my committee years and years ago a position paper in which he said that the United States of America had to get out of unsophisticated production of goods, that we were a nation which ought to produce nothing but the sophisticated products. He was forgetting of course that the labor-intensive industries are the backbone of the economy of any nation, whether it is a sophisticated nation or a nation that is emerging from the dark, dim blackness of poverty.

We find ourselves today facing the question that I want to believe honestly all of us know what it is all about but I am fearful that none of us really knows what it is all about.

The soulless multinational corporation, and there are two American-based multinationals which are more responsible for the devaluation of the dollar than all of the international bankers in the world. When they got word of the great transactions taking place in the Eurodollar they immediately moved in and dumped billions of dollars, setting the rush and the stampede on the American dollar.

In the language of the streets, in the language of the gutters from which I came, I will be compelled to say that the multinational operation has bastardized international trade. It is no longer a movement of goods for the uses of people. It is no longer an avenue with which a nation such as ours, with the greatest art ever invented as a nation has a soul and goes into the soul of America to do good for the nations that needed help, reaching out and spending our moneys, giving our talents, our trades, our crafts, and even our marketplace, absorbing within ourselves millions of nonproducing Americans walking the streets in despair; I say that in degradation, on relief in the third generation in some families in this country.

I would rather disassociate myself from the whole world if it means one worker in my district losing his American heritage.

Why do we think the multitudes of peasants and little people came from all over the world to this country? They came here and all of our ancestors, once,

twice, thrice, fourth removed from ourselves in this generation came. They came here because they could breathe here. They could become for themselves whatever they could make and sacrifice to give their families that which they had not. Out of this great mass of poor peoples from all over the world, we created a nation. Then we got greedy and we started to exploit our own people.

We have passed law after law in this country to try to uplift the well-being of millions of Americans who could not protect themselves in the workplace of the market, of labor in the country. So we passed the Fair Labor Standards Act.

I asked this Congress on two occasions to write into international law our trade bill, the same provisions that we provided within the United States. That is that no product at this moment, no product can move from one State to another in the United States of America, unless it is produced under the Fair Labor Standards criteria.

Why then should a company be able to move from another company and go across the Rio Grande and set up in Mexico and produce outside the umbrella, out from under the umbrella of the fair labor standards and ship their products across the river?

Eighty-five thousand jobs gone in 3 years, under the PRONEF tariff agreement with Mexico, not negotiated by the Commerce Department of the United States, but negotiated by the State Department. Today, the only amendments we are allowed to work on in any way, shape, or form, have nothing whatsoever to do with the economics of international trade.

I read the letter sent up by the President asking that this bill be put on the calendar at this time. Two lines are devoted in this 100-odd-page bill and the rest of it demanding that we treat Russia like a new-found brother.

Let me say something; part of this time I am going to read the contract which I told the Members I would yesterday. Hear me, my friends, hear me, because this is the contract negotiated with Soviet Russia, and if any man in this room knows different, stand up now and tell me that it is not correct. Let me tell the Members what it was, and I put it in the RECORD February 22, 1972; in plenty of time for the Committee on Ways and Means to look at it and study it—plenty of time.

Here is the contract:

Mr. Kosygin laid down two specific terms before he would discuss trade agreements in any way.

This is the report of the president of the Corn Products International, of a 100-member committee that went to Russia to lay down the precepts and the conditions to enter into a trade agreement with the United States of America:

Mr. Kosygin laid down two specifics. First, he said that the Soviet Union must be considered as a favored nation under our trade agreements. This means that all concessions that we have given over the 30 years of reciprocal trade agreements between the United States and friendly emerging nations would have to be given to the Soviet Union in one fell swoop.

The second provision that he would expect is that all avenues of credit now open to all our trading partners would be open to the Soviet Union, including the import-export bank financing.

He went on further to say that he would expect that all avenues of credit now open to all our trading partners would be open to the Soviet Union.

I repeat that, including the Export-Import Bank. Not only are they trying to do this, and first of all we have it to attach to this legislation, and second in the bill coming up later today we will have it on page 18 of the foreign aid bill. Two shots at the same thing.

He went on further to say:

Since the United States was so far ahead of Russia in its production of sophisticated computers, and that he was having difficulty buying computers from the United States because, he said, they would not be used for military purposes.

At least he was honest enough to qualify that particular statement by saying that at least these computers we would buy now would not be used for military purposes.

Then he went on to say, to put the clincher on what I think would be a most devastating blow to U.S. industrial productivity and employment capacities—he said that he would want and expects American enterprise concerns to build plants and to send the equipped and trained persons to teach them the know-how to produce many industrial goods that they do not have proficiency in today.

Further, he would expect and demand that the plants would be paid for by selling to the United States the production of those plants.

Further, he said that this meant also pre-agreement arrangements for the plants would include an agreement to buy the same amount of goods from those plants annually for the next 20 years.

He further went on to say that any products that the United States would sell to Russia would have to be part of a quid pro quo in which the Russian products would have to be bought by America, and that all products bought from America would have to be paid for in a barter type trade arrangement on products from Russia because "We will not pay for products from any hard currency country other than in products from our country to take their place in a barter deal."

This is what we are voting for today, and no man or woman in this room can plead ignorance to this. You cannot plead ignorance to this fact. This is something you cannot go out of here and say, "I did not know about it." It has been in the record since February 22, 1972, and we are voting for it today. Every man in this room, every woman in this room, every Member of this Congress must take that blame home with him.

Let me tell the Members what duties we have, and I only have a few moments.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield? I want to talk about that trade agreement; it is very vital.

Mr. DENT. I will come back to you. Please make it quick; the gentleman will notice that they put me on here and shackled me with two sledgehammers as to this time.

Mr. BURKE of Massachusetts. We realize that. We understand the situation, but it is interesting to note that in that trade agreement with Soviet Russia, there were 40 named ports established by this administration, but there is not one port in the northeast part of this country.

They talk about "most favored treatment." They are destroying the entire industrial complex of the Northeast, and they contribute further to it by failing to list one port in the northeast section.

Mr. DENT. Mr. Chairman, I thank the gentleman very kindly.

The Russians have a hammer and sickle as their standard bearing. We have a "Sickly Hammer," a man named Armand Hammer. This is an $8 billion deal that we are going to finance, at $400 million a year for 20 years.

To do what? To build a gas pipeline over an area with 1,500 feet of frosted tundra. We have to go down and float the bellyflat and build up from there. They have got a buildup of pipeline up to 45 degrees coming across the steppes.

This we bought. There is a $3½ million deal for technology and know-how already consummated, and if we do not pass this bill, our little Russian brothers are not going to let us get any Arabic oil. It is just that simple.

When are we going to demonstrate to our people in our districts that we do have brains enough to run this country for the people's own benefit? When are we going to quit lying to the people about what is happening to the United States of America and its people? How can we fail to understand this when we walk up and down our streets and through our streets and go past the unemployment office and watch our people tramp up and down, without employment?

Oh, we are sitting nice and smug. All we have to do is get elected every 2 years, and we do not have to worry. We do not have to care a damn if our people are unemployed.

We can go back and tell our people that we ratified these agreements, and that is what we are doing today, just ratifying these agreements.

Mr. Chairman, if God were to give me the strength and the time of life to live and if I had the financial means, I would go into every Member's district, and all I would give the people would be this message. I would ask them to listen just to this message.

Here is the rest of it, just a little of it: This is a $8 billion barter deal, 500 miles southeast of Moscow, with American dollars. We are dependent upon the Arabic states and we are in a crisis on oil.

Can we imagine what kind of a crisis we would be in if all of a sudden this Nation could not bring in the ships with the goods?

It cost us $10 billion or more, according to the best estimate I can get, for the extra shipping for the Vietnam conflict, because we had to use foreign flag ships, under contract, and pay them an exorbitant bonus for going into a war zone, and there was not a gun in the whole place that could reach them.

Here we have Occidental and El Paso gas in another deal. This is $10 billion. This is Occidental again, our good friend, "Sickly Hammer." This is $8 billion of chemicals and machinery for the chemical fertilizers for the next 20 years, and

we are going to kick back again $400 million a year on the chemicals we now have in surplus.

Believe me, this has nothing to do with me. So far as my own life is concerned, it does not matter; this could be 10 times as bad, if we could possibly consider a situation that bad. Whatever happens, it will not affect my life. The only being that can affect my life now in any way, shape, or form is the Lord above, because all the rest of it is in a real neat pattern. I go home on weekends and visit a little bit with my wife, and then I come down here the rest of the week and visit with the Members.

That I will probably do until I die or until my people say it is time to hang up. Another joint venture that might interest you might have been a good deal. Also Sickly Hammer's deal, this time with the Bethel Corporation. $110 million to build an international trade center outside of Moscow. Occidental is not building it but you are building it and my unemployed people are building it. Every time they go into a store and buy themselves a little bit of food they pay a sales tax out of the meager earnings they have. What does it go for? For running my country. And these two agreements alone, in these two agreements alone we are going to spend $18 billion or $20 billion. We will add $20 billion to the public debt of the United States. We do not have the money. We have to borrow the money we put in the Export-Import Bank. If you do not believe that, just sit here and have another bill pushed by the Committee on Ways and Means in order to up the debt limt again for another 6 months.

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

Mr. DENT. I apologize to all of you for taking up so much of your time. I only hope that you believe what I said. If you do not believe, live long enough and you will.

I am submitting certain documents for the record.

The documents referred to follow:

PROBLEMS WITH THE BILL—GENERAL

1. Too much Presidential power.
2. Abdication of Congressional authority
3. Use of trade as diplomatic tool, as opposed to economic reality.
4. Timing of the bill is bad—current situation will allow negotiators to take advantage of us
5. Increased unemployment—implicit by trade adjustment assistance provision. In light of possible mass unemployment, any due to trade policies is unacceptable.
6. Movement from a manufacturing economy to a service-oriented credit economy is dangerously unwise.
7. Increased dependence on imports. Supporters of the bill contend that for the most products make up less than 10% of domestic consumption. Even if they were right—which they aren't—our dependence on Arab oil amounts to about 6%—and you see what that has done.
8. Non-tariff barriers are eliminated
9. No action on multinational corporations that export jobs, capital, and technology.

PRESIDENT HAS POWER HE NEVER USES

Section 338 of the Tariff Act of 1930 and Section 252 of the Trade Expansion Act of 1962 give the President virtually plenary power to withdraw tariff concessions from countries who have not honored their commitments to us to provide equivalent access for U.S. exports to their countries. The provisions of the General Agreement on Tariffs and Trade also permit action by the United States as a Contracting Party to withdraw tariff concessions from nations whose actions have nullified or impaired the value of concessions granted to the United States.

The sad fact is that with but few exceptions the Executive Branch of the Government has failed to use such authority as a means of effectively getting the attention of the countries that are violating our trade agreement rights and burdening our commerce.

This reluctance to act with crisp efficiency against unfair practices of other nations has also been observable in the manner in which the antidumping and countervailing duty statutes have been administered by the Treasury Department.

It should be axiomatic under the spirit of the Antidumping Act that merchandise sold for export to the United States at such a low price that it does not cover the cost of producing the goods, is sold at less than fair value.

PROBLEMS WITH BILL—BY TITLE

TITLE I.—NEGOTIATING AUTHORITY

1. Allows President to permanently alter international trade and U.S. economic structure by entering into 5 year agreements.
2. President can:

A. Cut tariffs

B. Remove non-tariff barriers—like "Buy American" provision, American Selling price, product standards (90 days notice to Congress plus 90 days to veto)

C. Impose import surcharges and/or quotas to correct *balance of trade or dollar depreciation* (limited to 150 days)

D. Authority to control inflation by removing tariffs and quotas on imports (limited to 150 days)

E. Authority to negotiate new GATT rules and regulations

3. Congressional role is deceptive because it will be very difficult to conduct trade policy on a "take-as-is or not-at-all" basis.

TITLE II.—"RELIEF" FROM INJURY CAUSED BY IMPORT COMPETITION

Industry *petitions* Tariff Commission for "relief"—if affirmative, "relief" can be granted by

1. Duties
2. Tariff-rate quotas
3. Quotas
4. Orderly marketing agreements

Also *adjustment assistance* by petition to Secretaries of Labor and Commerce. Imports must have contributed "importantly"

Workers only receive: 70% of average wage for 26 weeks; 65% of average wage for 26 weeks; older workers plus 13 weeks; and workers in training plus 26 weeks.

Industries: $1 million in direct loans; and $3 million in government-guaranteed loans.

The provision is a clear indication that industry based here will get no help or protection. It is an encouragement to locate abroad, and take with the dislocations, jobs and money.

TITLE III.—RELIEF FROM UNFAIR TRADE PRACTICES

1) Provides retaliatory authority; can institute retaliation after notifying Congress, but Congress has 90 days to veto.

2) Antidumping Act is amended to put time limits on investigations.

3) Countervailing duty law is amended by requiring a finding of injury by Tariff Commission before there is action. President can also postpone any implementation of this law if the President believes it would seriously threaten international negotiations, i.e., GATT.

TITLE IV.—MFN FOR COMMUNIST COUNTRIES

Vanik Amendment.

TITLE V.—PREFERENCES FOR DEVELOPING COUNTRIES

Presidential authority to grant tariff preferences (down to zero) on semi-manufactured and manufactured imports from developing countries—at least 35–50% of the material and processing costs might be attributable to D.C.; preferences ceases when imports reach $25 million value or constitute 50% of total yearly U.S. import. (Another multinational provision?)

OCCIDENTAL PETROLEUM—RUSSIAN DEALS

1. Armand Hammer, Chairman of Occidental Petroleum, man responsible for negotiations.

CHEMICAL DEAL

2. 8 billion agreement to trade chemicals and machinery for chemical fertilizers over the next 20 years.
3. Essentially a barter deal, involving almost no exchange of cash.
4. Tass called it "an agreement on cooperation in building a big mineral fertilizer complex in the Soviet Union."
5. Occidental Petroleum is going to build 4 fertilizer factories, 500 miles southeast of Moscow, a capital investment of $400 million, of which $80 million is expected from the Eximbank; after they are built, Occidental will provide more than a million tons of superphosphates a year. In return, Occidental will get urea and ammonia for fertilizer valued at about $400 million a year. No jobs for U.S. workers!
6. Izvestia, the Soviet Government newspaper, cited Senator Jackson as a man who "intimidates his audiences with statements to the effect that the so-called development of Soviet-American ties is just 'aid to Communism'."

NATURAL GAS DEAL

1. Occidental and El Paso Natural Gas Co. has signed an agreement with Soviet Union that could bring more than $10 billion worth of Soviet natural gas to the U.S. over a 25 year period.
2. Hammar said Soviets have agreed to have products shipped "both direction" in American bottoms.
3. This deal is contingent on securing financing from U.S. lenders, and outside lenders will be sought as a last resort.

TRADE CENTER DEAL

1. Occidental is in joint venture with Bechtel Corporation, San Francisco to furnish design, supervisory and technical aid in the building International Trade Center in Moscow at cost of $100 million, excluding land.

POLISH DEAL

November 11, 1973—$2½ million agreement extends 10 years and covers metal-finishing and pollution control equipment.

RUSSIAN WHEAT DEAL

1. July 8, 1972 the President announced an agreement that made $750 million worth of credit over a three year period.
2. Within a few weeks, subsidized wheat sales approximated $700 million, the largest private grain sales in U.S. history.
3. The Soviets made off with one-fourth of the U.S. wheat crop causing high prices and shortages nationwide, and with the sanction of the President.
4. Wheat in July, 1972 was $1.63 a bushel—it is now $4.65 a bushel.
5. GAO Report indicates

A. $300–$350 million in taxpayer's money was wasted in export subsidies not required in the marketplace.

B. The Department of Agriculture was totally deficient in administrating the program, in maintaining information, and in

determining the appropriate export target price.

C. Had the Agriculture Department been more on its toes, the Russians would have paid more and Uncle Sam would have paid less.

6. Other Speculations for Wheat Deal

A. "Detente".

B. Get farm prices up before 1972 election.

C. Potential conflicts of interests between decision makers in the Dept. of Agriculture and major grain dealers.

GENERAL COMMENTS ABOUT SOVIET UNION

1. Lenin Described a capitalist as "a man who will sell you the rope that is going to hang him."

2. Overriding theme in present discussion about trade involves the export of American capital goods and technology financed by huge credits and credit guarantees underwritten by American taxpayers.

3. We get promises instead of cash. By denying them easy term credit, we can force them to pay us in gold (which they have $9 billion), or force them to sell their gold and pay us in dollars.

4. Demand cash to

1) soak up Eurodollars

2) improve balance of payments

5. In the last year, Export-Import Bank has loaned more than $1 billion to U.S.S.R. Private sources are estimated to account for $3 billion.

6. Kosygin said flatly that there would be no currency exchange, only barter.

Mr. ULLMAN. Mr. Chairman, I yield 7 minutes to the gentleman from Florida (Mr. GIBBONS), a member of the committee.

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

Mr. GIBBONS. Mr. Chairman, this is perhaps the most difficult speech I have ever had to make in my life. I admire, respect, and love JOHN DENT. He has already characterized me as a sledge hammer. I guess I will go down in history being "Sledge Hammer Sam." However, I feel some statements have to be made so that those who look at this RECORD in the future will have an accurate portrayal of what I think the facts are.

First, Mr. DENT is not talking about this bill but he is talking about the current law. We are seeking to change the current law. I could perhaps follow his reasoning if I could follow his figures. Yesterday I heard him on this floor make this statement, and this statement is in the RECORD on page H10974 and I am reading from it right now:

Unemployed workers collecting as of July 1, 1973, 8,795,000.

I questioned the staff of the Committee on Ways and Means and asked them to check with the Unemployment Insurance Service, Manpower Administration, Department of Labor, Mr. Ralph Altman this morning and as of July 1 instead of there being 8 million unemployed as stated here yesterday there were 1,343,000 receiving compensation as of July 1, 1973.

Mr. DENT. Will the gentleman yield at that point?

Mr. GIBBONS. I will be glad to.

Mr. DENT. All right. Then I will give you my authority. All the figures that I read yesterday came directly from the first week in July issue of the Reader's Digest with the figures printed in them—7,965,000.

The Manpower Commission figures say that 6,695,000, is the correct figure. BLS show a different total, no two figures are alike.

Mr. GIBBONS. Well, I am sorry. I go into a little more reliable sources than the Reader's Digest.

Mr. DENT. I have given you my source.

Mr. GIBBONS. And the gentleman had 19 minutes to do this, so it is a little impossible for me to rebut him in the 7 minutes I have. On June 14, 1973 Mr. DENT appeared before our committee. I did not read his testimony until last Sunday or I would have told him about it sooner. On page 4935 of the committee record in his formal statement, and not the one the Clerk took down, but the one he turned in, he said that:

At that time in 1962, there was a total of 16,800,000 persons engaged in manufacturing, with a payroll of $90 billion a year, and with a total population of 160,000,000 people. Today with a total population of 208,000,000 there are 14,127,000 persons employed in the manufacturing sector. I point this out because, in spite of all their predictions, there has been a loss of jobs in the manufacturing sector, in the face of a production consumption increase of 50–60%.

Actually, the figure from the Department of Commerce shows that the total employment in manufacturing on that date was 19,856,000 and not 14,127,000. That is a pretty substantial error. If Mr. DENT spoke quoting from the Reader's Digest I can understand why he reasons as he does.

As I say, this is not a pleasant speech for me to make because I like JOHN DENT. I admire him, and I have worked with the gentleman in the Congress and in our committees for a long time.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield briefly to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. I think it is only fair to point out to the Members of the House that the figures that the gentleman from Pennsylvania was giving here do not include the figures of these on welfare. Now, when people exhaust their unemployment compensation then they go on welfare. I would like to have the gentleman give out the figures of those on welfare, as they have been calculated.

Mr. GIBBONS. There are about 12 million on welfare. About two-thirds of those people on welfare are children under the age of 15, and most of the rest of them are women in the families who are managing the children under 15, and who, because there are no day-care centers and such as that, have to stay home and do not work.

I am not going to defend the welfare system. There have been plenty of studies made of the welfare system, and they show that we have ablebodied people on welfare, about 1 million, soaking wet, in this country. We are talking about——

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield further?

Mr. GIBBONS. No, I am not going to yield further to the gentleman because the gentleman from Massachusetts had plenty of time yesterday.

Mr. BURKE of Massachusetts. As a matter of fact, I had almost no time, or very little time allotted to me.

Mr. GIBBONS. If that is the case, then I will yield further to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. I am not objecting because I have not had sufficient time; I merely want to point out to the gentleman that in our Commonwealth of Massachusetts welfare has been increasing at the rate of $200 million a year for the past 4 years. And that has nothing to do with children or anything else, it has to do with unemployment. We have 200,000 people drawing unemployment as of today.

Mr. GIBBONS. I know the situation the gentleman from Massachusetts refers to in Massachusetts, and I regret that situation. I know the gentleman from Massachusetts has made this point many, many times in committee, but all of that has to do with the present law. What we are talking about today is changing the present law and improving the situation, and this bill does it, and does it very dramatically.

The issue of trade with Russia that the gentleman from Pennsylvania, (Mr. DENT) has dwelled a long time on is one in which the House will have an opportunity to vote on here in just a moment as to whether or not the most favored nation treatment will be granted under this bill as suggested by the President. And there will be a motion to strike that entire section from the bill. And I think it was certainly a very sad mistake that MFN was ever inserted in this bill.

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

Mr. GIBBONS. Yes, I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, what difference does it make if the gentleman from Pennsylvania (Mr. DENT) made an error or did not make an error? Are we talking about a trade bill, or are we talking about unemployment figures?

Mr. GIBBONS. Let me say that I was using Mr. DENT's errors as an illustration. If I could follow the gentleman's mathematics I might be able to follow the gentleman's reasoning, but the gentleman's mathematics, which are the basis for his reasoning, are not correct. That is the only reason why I make that point.

The gentleman from Pennsylvania (Mr. GAYDOS) yesterday made a very intelligent speech on the floor in which the gentleman pointed out——

Mr. GAYDOS. The gentleman is very kind.

Mr. GIBBONS. In which the gentleman pointed out some of the problems in the bill. I respect the gentleman for doing that. I respect the other gentleman from Pennsylvania (Mr. DENT) for stating his position. But I just wish to point out very clearly that the facts are not as the gentleman outlines them. They are I believe as I outlined them, and they are from the best sources I have. I am not going to rely on the Reader's Digest on what is important to the fu-

ture of this country, whether we agree with this bill or not. That is why I say what I do, and I do not do it with any great deal of pleasure.

Mr. GAYDOS. I believe that when the gentleman from Pennsylvania (Mr. DENT quoted those figures upon which the gentleman relies, whether accurate or erroneous, I think it was merely background material.

Mr. GIBBONS. That is what all of us make our decisions on, upon the basis of background. I am merely trying to correct the record at this time so that the record will accurately reflect what the background actually is.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, I thank the gentleman from Oregon for yielding me this additional time.

I would like to finish my little talk, if I can, here this morning on a positive note.

I am seriously worried about the future of free men in this world. I think it is time for us to stop here at 10 minutes of 11, on the morning of December 11, 1973, and assess the situation and ask who we are, what we are, and where we are going.

As I see it, we are 6 percent of the Earth's population. We have been able to amass and use about 35 to 40 percent of its wealth. We have been blessed by God and by geography and by a lot of accidents in history, and a lot of good leadership, to get where we are. We have a challenge to act responsibility in this world.

We are the biggest trading Nation in the world. We trade more within our own market and we trade more within the international market than any other nation in the world. Yet as we trade, foreign import trade is about 5 percent of our whole gross national product, we set the pace for all the rest of the nations in the world, particularly the free nations in the world.

If we respond negatively and tear up this free world again as we did accidentally in the 1920's and 1930's, then perhaps we may have to relive that very terrible part of world history. We have an opportunity to go forward now.

This is a well thought out, well reasoned, well debated piece of legislation that the Committee on Ways and Means presents to the Members this morning. We have done everything we can to make sure that this is not special-interest legislation but that this is broad, general-interest legislation for the good and the welfare of all the American people.

We hoped and we trust that although this debate has been acrimonious, that we can close ranks and move forward as American people. I believe from the bottom of my heart that this is a good piece of legislation, a good bill, and that every Member in Congress ought to support it; but I respect those who do not. I want to end this little talk on a note that there is certainly no acrimony in my heart for those who disagree with me.

The CHAIRMAN. The time of the gentleman has expired.

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

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

Mr. SCHNEEBELI. Mr. Chairman, I think it is important for us to understand at this point just what we do import from Russia, and why it is important that we continue this type of trade.

I should like to cite the 10 most significant items, in terms of dollar value, that we imported from Russia during the first half of this year. No. 1 was palladium, valued at about $27 million; No. 2, was platinum, about $14 million; No. 3, fuel oil, about $13 million; No. 4, nickel, about $4 million; No. 5, crude oil, about $3.7 million; No. 6, diamonds, about $2.2 million; No. 7, chrome ore, about $1.6 million; plus No. 8, titanium; No. 9, sable furs, and No. 10, glass, all amounting to less than $1 million each. For the information of the Members, I am inserting in the RECORD at this point a list of commodity groups imported from the Soviet Union, as provided by the administration:

TOP 15 COMMODITY GROUPS IMPORTED FROM THE SOVIET UNION, JANUARY 1973–JUNE 1973 [1]

TSUSA No.	Description	Amount
6050750	Palladium bars, plates not less than ⅛ in. in thickness of palladium content.	$25,056,756
4751030	Fuel oil with testing 25 degree API under 145 s.	7,491,353
6050710	Platinum bars, plate sheets not less than ⅛ in. in thickness of platinum content.	7,145,951
6050210	Platinum grains and nuggets plates.	6,050,551
4751050	Fuel oil with testing 25 degrees API above 145 s.	4,667,881
6200300	Unwrought nickel	3,982,233
4751010	Crude petroleum, shale oil	3,709,243
6050260	Palladium, palladium content	2,331,027
5203200	Diamond, under ½ carat cut	2,262,953
6011560	Chrome ore, 46 percent or more chromic oxide.	1,625,687
6050290	Platinum group metals and combinations.	1,137,623
4750550	Fuel oil with testing under 25 degree API.	1,118,710
6291500	Titanium unwrought and waste and scrap.	986,290
1241045	Sable fur skins whole, raw, or undressed.	963,910
5423320	Ordinary glass, 16–18.5 oz/SF measuring 40–60 unit in.	842,258
Subtotal		[2] 69,372,426

[1] The dollar value of the total import of this time period is $79,916,852.

[2] The subtotal represents more than 86 percent of the dollar value of the total import.

The character of our imports indicates the need to continue and expand our trade with Russia. These are raw materials, minerals, oil, and other items which are needed in this country.

What about the assertion that the Export-Import Bank is not the proper vehicle to finance our exports to Russia? The Export-Import Bank was established in 1934. Up until February of this year we did not finance or extend credit on a single transaction with the U.S.S.R. Since that time four different transactions with the U.S.S.R. have been financed. What is the character of our credits with respect to Russia? The four items that were financed with credit in sales to Russia were submersible electric pumps, knitting machines, a plant to produce tableware and dishware, and a truck factory. Where is our international involvement as far as our national defense is concerned with respect to these four different types of transactions?

As I cited at the outset, the commodities that we import from Russia are necessary commodities, many of which we cannot find sufficiently elsewhere.

Mr. Chairman, at this point I yield to the gentleman from Ohio (Mr. WHALEN) such time as he may consume.

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

Mr. WHALEN. Mr. Chairman, that hardy perennial of politics—the tariff—is again before us for debate. The first major legislation of the First Congress of the United States, over 185 years ago, was an act imposing tariffs on imports of numerous manufactured goods. We have been debating the issue ever since. First, we headed toward protectionism, then toward freer trade, then toward protectionism again, then back to freer trade.

A. POST WORLD WAR I

As you will recall, immediately following World War I Congress sought to assist domestic industry and agriculture by restricting imports. In 1921 it passed an Emergency Tariff Act which was soon followed by the Fordney-McCumber Act of 1922 which increased U.S. tariffs to their highest levels in history. For the avowed purpose of assisting agriculture, Congress raised most rates still higher when it enacted the Smoot-Hawley Tariff Act in 1930.

By 1931–32 the greatest economic depression in history engulfed the world. So widespread was it that it has become known as the Great Depression. In comparison, more recent economic recessions have been little more than mild headaches.

B. TRADE POLICY, 1934–67

By 1931 imports and exports had dwindled to a mere trickle. In 1934 among the many statutes enacted to combat the depression, Congress executed an about-face in trade policy and headed the country in the direction of free trade. Under the inspiration of then-Secretary of State Cordell Hull, it enacted the Trade Agreements Act authorizing the resident to make Executive agreements with other countries for the purpose of reducing tariff rates by not more than 50 percent. For its part, the United States continued to treat all countries alike by extending its tariff concessions to all nations on an "equal treatment" basis. The only exception at the time was Cuba with which we had a preferential agreement. Nondiscrimination in international trade has been this country's stated ideal since the birth of the Republic.

Between 1934 and 1947 the United States moved consistently in the direction of lower tariffs. The greatest reductions of all were made in the General Agreement on Tariffs and Trade—GATT—on a multilateral basis in 1947.

After 1947 Congress became increasingly concerned over competition from imports. The pressure became so great that by the early 1950's numerous legislative provisions were enacted to assure domestic producers that they would not be injured by tariff-cutting. Tariff-cutting authority has always been granted to the President on a temporary basis and over the years the struggle between the administration to reduce trade barriers and the Congress to resist injury to any domestic producer has become increasingly intense.

By 1958, trade legislation had become protectionist-oriented. Thus, advocates of open multilateral trade contended that the President's tariff-reducing powers had become so hemmed in by safeguards against injury to domestic producers that the 1958 act was, in fact, protectionist legislation rather than a vehicle for expanding trade.

By 1962, it became clear that if the United States were to negotiate effectively with the European Economic Community, the President would need much greater authority than had been delegated to him by previous legislation. It also was evident that he would need the power to negotiate tariff cuts on an across-the-bord basis, rather than on the basis of one commodity at a time.

Therefore, in 1962 Congress passed the Trade Expansion Act giving the President broad powers to reduce tariffs. After arduous negotiations, the Kennedy Round agreement was singed in Geneva on June 30, 1967, the very day on which the tariff-cutting authority authorized by the Trade Expansion Act of 1962 expired.

C. 1967 TO PRESENT

Although the tariff reductions agreed to in 1967 were highly publicized as the deepest reductions ever made in U.S. tariffs, the cuts were really very modest. In terms of percentage points, rather than in terms of percentage reductions from a 1962 base, the average tariff level was reduced from 12 percent ad valorem to a little less than 8 percent.

Since 1967 the President has been without authority to engage in broad international negotiations for the mutual reduction of trade barriers. Once Congress restores this power, the President's trade representatives will find negotiations increasingly difficult because of the proliferation of nontariff trade barriers, including import quotas, export limitations. "Buy National" laws, and various forms of tax discrimination. Further, most tariffs are now either very low or applicable to products that are made by producers who have enough political clout to intimidate the Government.

As far as the low tariffs are concerned, the next logical step is to eliminate them through negotiations. Notwithstanding the fact that the United States has been negotiating with other countries for the mutual reduction of trade barriers since 1934, there are still a number of products that are subject to tariffs that are highly restrictive of imports. The fact that a number of items are still subject to relatively high tariffs—many of them in excess of 25 percent and a number of them in excess of 50 percent—serves to identify the strong interests that exert restrictionist pressures. Even after 33 years of negotiations for tariff reduction, the tariffs on these items have been touched only slightly, or not at all. In this age of vigorous dissent by the average citizen, we have no time to lose in switching foreign trade policy from the dead-end siding of group pressures to the main track of the public interest. The common denominator of today's revolution is rebellion against the status quo with respect to such human rights as access to clean air and pure water, equal political and economic opportunities for the underprivileged, regardless of race and color, adequate public education, decent housing, and governmental protection of consumers against price-gouging and inferior quality. If the common man understood that tariffs, import quotas and other shackles on trade prevent him from enjoying to the maximum the fruits of his labor, he would certainly add a demand for free trade to the list.

For example, consumers are denied imported tomatoes in midwinter while luscious tomatoes are allowed to rot along the roads of Mexico. This occurs because the U.S. Government chooses to keep prices high through imposition of tariffs so as to enhance the profits of growers of the hothouse variety in the United States. People should understand that they cannot enjoy, at moderate prices, a wide variety and abundance of cheeses from Italy, France, and other countries because their government chooses to tax them for the benefit of producers of high-priced Wisconsin substitutes. They should realize that prices paid for a long list of consumer goods, including textiles, shoes and petroleum, are higher as a result of governmental restriction of imports. If they did, American citizens would be as aggressive against interferences with foreign trade as they are against foul air and polluted water.

Trade barriers diminish the welfare of all the people for the benefit of small groups of producers. Trade barriers are an anachronism in this age of the common man.

MY BASIC TRADE PHILOSOPHY

Undoubtedly, my opening comments, and my background as a former professor of economics, confirm that I am an ardent believer in free trade. However, I am fully aware of the immediate human hardships that would be faced by a number of persons if we were to move in that direction rapidly. How to soften these hardships is a challenge to statesmanship and legislative wisdom. The challenge is to spread the costs of the adjustments that would be necessary over the population as a whole.

It is still true, that from a purely economic point of view, free trade would be in the interest of the people of the United States as a whole. Indeed, it would be in the interest of the entire world if only it could be implemented politically. The principle is not complicated. It merely states the truism taht people generally, as well as entire nations, are better off if they apply their productive energies to lines of activity in which their aptitudes and efficiencies are greatest.

Many attempts have been made to denounce this truism, but when one examines them closely he finds that they are political, rather than economic, in nature. The observation that governments subsidize exports, and that cartels and multinational corporations interfere with free trade does not negate the principle. Instead, the interferences which appear to repeal the principle need to be dealth with, as such, by governmental policies that point toward ever freer trade. Stated simply, the United States should move toward free trade because the closer the world comes to this concept, the greater will be the economic welfare of all people. The fact that the United States is the largest economic power in the world gives it both responsibility and power to convince other countries that they should join with it in attempts to tear down the barriers which impede international movements of goods and capital.

TRADE REFORM ACT OF 1973

As you will recall, the President submitted the Trade Reform Act of 1973 to Congress on April 10 of this year. His action anticipated the preliminary trade talks which were scheduled to take place in September in Tokyo to be followed by extensive negotiations in Geneva in 1974. About a month later, the House Ways and Means Committee commenced its review of the legislation which the President had described as "the most significant reform of our approach to world trade in more than a decade." After a 5-month study, the committee reported the act for consideration by the House.

In my opinion, the Trade Reform bill leaves a great deal to be desired. The analysis I now will present will reflect, of course, the foregoing trade views which I have postulated. It also will concentrate on the economic aspects of the measure. That is, I will examine only the first three sections of the bill—title I dealing with negotiating and other authority; title II providing relief from injury caused by import competition; and title III providing relief from unfair trade practices. I will not comment on the purely political provisions which relate to nondiscriminatory treatment of the trade of Communist states—title IV—and the preferential treatment of imports from less-developed countries—title V.

As the act emerged from the committee, it is neither fish nor fowl. In fact, it is difficult to tell from reading the bill itself what its real policy objective is. It concentrates on the mechanics of negotiation and, in so doing, gives broad powers to the President. It also imposes penalties on other countries for unfair treatment of U.S. exports, without defining "unfair."

The bill contains no clear statement as to what the long-run goal, or objective, of the United States is with respect to foreign trade. All that it says is that its purpose is to extend the authoriy of the President to enter into trade agreements for a period of 5 years. In such agreements, he may continue, or modify, existing tariffs or proclaim additional duties. The emphasis is upon the authority to make agreements without stating

their purpose. The phrase "fair and equitable" appears throughout the bill without definition.

H.R. 10710 apparently is an attempt to deflect protectionist pressures that are clamoring for enactment of the Burke-Hartke bill, which is as potentially dangerous as was the Smoot-Hawley Tariff Act of 1930. The Burke-Hartke provisions, if implemented, could precipitate an economic crisis culminating in worldwide depression.

Thus, the trade reform bill might be compared with a horse having two heads, located at opposite ends—or to an automobile with two engines—one headed in one direction and the other headed in the opposite direction. Whether the horse, or the automobile, is headed north or south depends upon whether one views the phenomenon from the north or from the south.

To dyed-in-the-wool free traders, who are grasping at straws everywhere, there is a tendency to emphasize the liberal aspects of the bill without paying much attention to its protectionist features. Conversely, protectionists can find in the measure enough safeguards against trade barrier reductions to induce them to support it.

A. H.R. 10710 AS PROTECTIONIST LEGISLATION

In the absence of an official and positive declaration of objective in H.R. 10710, one can only infer what that objective is by noting where stress is laid in the bill itself. It is a complex piece of legislation and in many places is couched in language that is unclear and evasive.

Although it faces in opposite directions simultaneously, toward trade liberalization and trade restrictionism, on balance it is heavily weighted toward the latter.

When read carefully, it is clear that "expanding intrenational trade" refers primarily to expansion of U.S. exports for the purpose of retrieving a favorable U.S. trade balance. Increases in U.S. imports are suspect.

Compare, for example, the authority that the bill would confer upon the President to reduce tariffs with the authority that it would confer upon him to increase them. On the trade-liberalizing side he would be authorized, in trade agreements over a 5-year period, to: First, eliminate tariffs of 5 percent or less existing on July 1, 1973; second, reduce tariffs of 5 to 25 percent ad valorem by 60 percent; and third, reduce tariffs higher than 25 percent ad valorem by 75 per cent, providing that no such rate may be reduced to less than 10 percent.

On the tariff-boosting side, however, the President would be authorized, pursuant to trade agreements, to add 50 percent ad valorem to rates existing on July 1, 1934—that is, under the Smoot-Hawley Act—or to a rate which is 20 percentage points ad valorem above the rate existing on July 1, 1973.

Note that these are not percentage increases, but rather increases in the ad valorem rates themselves. For example, a rate of 25 percent ad valorem could be increased to 75 percent ad valorem, and a rate of 100 percent in the Smoot-Hawley Act—not unusual by any means—could be increased to 150 percent. Furthermore, the President would be authorized to impose a tariff of 50 percent ad valorem on items which were duty-free at the time of his proclamation.

This provision of the bill would give the President power to transfer items from the free list to the dutiable list, a power that has always been the sole prerogative of Congress. This is greater power than has ever been granted by the Congress to any President with respect to tariffs.

Not only are the protectionist weapons given to the President to restrict imports very powerful, but the criteria set forth in the bill for ascertaining injury are much more lenient than in previous legislation. Whereas heretofore it was necessary that the Tariff Commission find that imports resulting from a concession in a trade agreement constituted the major cause of injury, under this bill the word "substantial" is substituted for major. This means that it is necessary for the Commission to find only that imports constitute an important cause of injury and "be no less important than any other single cause." Also, it would no longer be necessary that the injury be caused by imports resulting from a trade agreement concession. Increased imports regardless of their cause would justify action.

The factors that are to be taken into account by the President in penalizing imports after a finding of injury include "ability of an industry to adjust to import competition along with the impact of relief, or lack of relief, on communities, workers, consumers, exporters, and other domestic industries." In context, it is clear that no real, fundamental adjustment is contemplated as far as the economy as a whole is concerned. The adjustment that is stressed in the bill is the adjustment that a given industry needs in order to remain in business.

The weapons that the President can use to eliminate injurious import competition are presented in preferred order, as follows:

First. Increase in, or imposition of, a tariff.

Second. Imposition of a tariff-rate quota.

Third. Imposition of quantitative restrictions.

Fourth. Negotiation of orderly marketing agreements.

Although tariffs are preferred, any or all of the four devices may be used in combination.

H.R. 10710 also would give the President authority to provide relief from unfair trade practices by countries that maintain unjustifiable or unreasonable restraints on the trade of the United States, either by subsidizing their own exports, or by other means, which have the effect of substantially reducing U.S. exports or reducing the sales of U.S. products in the domestic market. The terms "unjustifiable" and "unreasonable" are not defined. The only restraint on the President is that there must be a finding by the Secretary of the Treasury that subsidies are being paid or other devices being used which are either "unjustifiable" or "unreasonable." It is not necessary that the Tariff Commission make any finding of injury, but merely that the imports in question are "reducing the sales of U.S. products in the U.S. market." It is required, however, that the President find that neither the Anti-Dumping Act nor the countervailing provisions of the law provides adequate remedies. Before taking action he is required to provide an opportunity for the presentation of views by the public, and he may request the Tariff Commission for its views as to the probable economic impact of the proposed action. He is not required to do so, however.

Whenever the President takes action under this section of the act, he must notify the Congress. Within a 90-day period either House of Congress may override his action by a majority vote of those present and voting. Otherwise, the President's action is final.

B. TOO MUCH PRESIDENTIAL POWER

The Ways and Means Committee report on the trade reform bill said that it is a "reform bill in every sense of the word." It certainly is, in the sense that it confers unprecedented power upon the President to increase tariffs almost without limit. It does it through ambiguities designed to give the impression that it is an instrument to liberalize trade and to bring about practical cooperation with other countries.

While proclaiming the virtues of freer trade, most of President Nixon's actions during his 5 years in office have been protectionist. Finding himself on the horns of a dilemma—the one to press for freer trade and the other to restrict import competition so as to satisfy powerful political interests—the President has tended to accept both horns by preaching free trade while practicing protectionism. In all probability this formula will continue.

The danger is, since H.R. 10710 does not clearly state the objective of U.S. trade policy, that the "more open and more equitable" trading world that is sought is one in which intimidation will be used to force other countries to buy more U.S. goods. This was demonstrated all too clearly some months ago when then-Secretary of the Treasury John B. Connally used threats in an endeavor to force other countries to buy more U.S. exports.

In all the years since the first Trade Agreements Act was passed in 1934, it was never seriously proposed that the President be given power to determine tariffs and trade policy. Back in the early 1940's, when Congress was considering expanding the President's powers to modify trade barriers, it was stated emphatically that such authority would be "too much power for a bad man to have, and more power than a good man would want." This commonsense philosophy should have been applied to the proposed Trade Reform Act of 1973.

C. ADJUSTMENT ASSISTANCE

Let us turn now to those provisions in title II of the bill which authorize so-called adjustment assistance.

It is unfortunate that we have to use everyday language to convey thoughts. I say this because, in the political arena particularly, words are purposely used ambiguously so as to cause confusion.

We may agree upon words, but it does not follow that we are agreeing on their substance. The same word can mean many different things to many different people.

To be really meaningful the term "adjustment assistance" should be used in a broad national sense. This means that if imports displace workers or firms, the Government should assist those workers and firms in adjusting to endeavors that can stand up in the face of foreign competition. "Adjustment assistance" should not be used narrowly to mean that the Government should enable workers and firms to remain in their present lines of activity regardless of cost. If the latter is meant, "adjustment assistance" is no better than erecting trade barriers.

The purpose of "adjustment assistance" should be to enable firms and workers to transfer from producing commodities which cannot compete with lower cost imports to those that can. This does not mean, of course, that a given firm or group of workers should not try to reduce costs by improving efficiency. The most logical adjustment is that which eliminates excessively high-cost units of production, thereby enabling the remaining firms to operate at lower cost and to sell at lower prices.

The Foreign Economic Policy Subcommittee of the House Foreign Affairs Committee, in a report issued last August, concluded that:

> In order to strengthen and solidify our domestic economy and our foreign economic policy, adjustment assistance should have the primary claim on policy attention as a far less disruptive alternative to import restrictions.

In October 1972 I cosponsored a bill which encompassed most of the recommendations of this subcommittee of which I am a member. On February 28, 1973, I resubmitted the Trade Adjustment Assistance Organization Act in the hope that it would comply with the subcommittee's consensus that what is needed are practical and timely adjustment mechanisms to respond to trade-induced unemployment in noncompetitive industries on a national basis. The type of adjustment envisioned in this act means either that present operations are made more efficient or that firms and workers transfer to different lines of activity.

Unfortunately, the term "adjustment" seems to be used narrowly in H.R. 10710. This conclusion is borne out by such phrases in the accompanying report as:

> It is necessary to prevent domestic producers from disruptive market penetration and unfair trade practices if our domestic producing interests are to have confidence in their ability to survive competitively in the United States.

And, in discussing the need for safeguards, the report states that:

> Measures are needed to assure that producing entities in the U.S. are able to compete on the basis of equity and mutually applicable standards of fair trade.

Thus, the tone of the Trade Reform Act of 1973 clearly implies that "adjustment assistance" means that industries, firms, and workers shall be untouched by import competition. There is no indication in this measure that there should be adjustment in any fundamental sense.

NEEDED IMPROVEMENTS IN TRADE REFORM ACT OF 1973

My major criticism of the proposed Trade Reform Act is that it does not clearly state the objective of the United States with respect to international trade. If it were in my power to do so, I would amend the bill by adding a trade policy title. This section would contain a ringing declaration that the objective of the United States is to convince other countries that they should join us in removing all barriers to international trade, including tariffs, import quotas, and other trade restrictive devices.

The language in this title then would direct the President to enter into trade agreements with other countries, individually or by groups or with all countries together, multilaterally, in a major effort to move toward free trade. It would state further that it is the hope of the United States that the responses to such initiative will result in substantial worldwide free trade by the year 2000.

Even though the ensuing sections authorize the President to increase U.S. trade barriers as a defense against countries that do not treat our commerce fairly, a trade policy provisions clearly would have subordinated this authority to the bill's major purpose which is to obtain agreement among as many countries as possible that they will dismantle their trade barriers. Notwithstanding the fact that the President's power to increase trade barriers would be greater than his power to reduce them, I would have preferred to have it clearly stated that the thrust of the act is to tear down trade barriers, while the power to retaliate is to be used sparingly and only when absolutely necessary.

CONCLUSION

Unfortunately, the procedures of the House under which the trade bill is being considered do not permit the offering of such an amendment. Rather, the measure is being debated under a "modified closed rule." This means that the bill, with the exception of titles IV and V, has to be accepted or rejected in toto with no other amendments from the floor permitted. Politically, this is a device to prevent the introduction of protectionist amendments.

The realism which we face, therefore, is that the bill has to be considered in light of the current political situation. Waiting in the wings, so to speak, is the Burke-Hartke bill, the protectionist alternative to the Trade Reform Act. That measure, if adopted, would establish a comprehensive system of import quotas which would constitute a determined retrogression toward protectionism.

If the trade reform bill does not pass today, it is almost certain that Burke-Hartke, or something akin to it, would then be approved by the House of Representatives. In this event, the die would be cast; the United States would move backward toward rigid protectionism and economic depression.

And if both the Trade Reform Act in its present unhappy form and the Burke-Hartke bill were rejected, the President of the United States would remain powerless to negotiate trade agreements with other countries in any comprehensive manner.

So then, how should a liberal-minded Member of Congress vote today? Should he vote against the Trade Reform Act, thereby increasing the likelihood that Burke-Hartke would follow? Or, should he vote for the Trade Reform Act, while praying that the President of the United States will show enlightenment in its administration by deciding to do all in his power to facilitate free trade, rather than move backward toward restrictions?

I, for one, will do the latter—vote for the Trade Reform bill and then pray.

Mr. SCHNEEBELI. Mr. Chairman, at this point I yield 10 minutes to the "Sledge Hammer," the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I am somewhat amused at the sledge hammer reference to a sweet and reasonable fellow like me. I want to reason with the Members sweetly at this point because I feel that we do have to address some of the issues that have been brought up in the course of this debate, as full of sound and fury as it has been.

This is the Trade Reform Act of 1973. It is just what its name implies, relating to the reform of our trading arrangements

Whenever we reform anything, be it tax reform or welfare reform, we come face to face with a number of myths change. The trade area is no exception as far as myths are concerned. Many of them have been referred to here on the floor. I would like to analyze some of these myths and try to deal with them factually.

The first myth I want to deal with is that we should fear trade negotiations. There has been a great deal of concern about America's position in world trade as an unfair position, and reference has been made to the extent to which our goods are discriminated against. Frankly, we should fear continuing the status quo. If we want to change things, if we are not satisfied with the way things are, we should want to give to our negotiators the opportunity to work to create a more rational order of world trade. We will be exporting jobs by default unless we negotiate and bring about new trading relationships.

Whether we like it or not, the multinational corporation is a fact in the world today and 60 percent of the multinationals are American. Unless we have the right to trade from this country without fear of discrimination against goods originating here it is inevitable that there will be increasing trade through foreign subsidiaries of American companies firmly ensconced on the European Continent and in the developing world and quite able to take advantage of obstacles to trade which may work against goods originating on the American Continent.

So one of the myths is that by negotiating we are going to export American jobs. In fact we are trying to avoid that happening through trade reform, for which the bill provides.

The second myth I would like to mention is not necessarily consistent with the first: That we no longer need negotiations with the change in the balance of trade. It has been pointed out that our balance of trade has changed this year at least partly as a result of the devaluation of our dollar and partly also as a result of the combination of controls in this country and higher prices abroad. It is easier for our people to make more money selling abroad than they can here under these current crazy economic controls. In fact one swallow does not make a spring and the fact that during the end of this year we have had a turnaround in our balance of trade does not mean that there is not a substantial advantage to us in trying to make a more rational pattern of trade for the long term, reducing obstacles to trade and the discrimination that affects the trade of our country as we drift toward economic nationalism without these negotiations.

The third myth I wan to talk about is that we should not concern ourselves with trade at all since it constitutes only about 5 percent of our gross national product. There are many people who say we could live on our fat with our $1.3 trillion economy. We do not have to worry about trade, the argument goes. It is a very modest part of our total prosperity.

We do have a very high economic base in this country. We have a dynamic system; but my friends, I want to tell you that the future is going to see the development of foreign markets at a greater rate than the American market, simply because we already had such an advanced base. We are all aware of the fact that the developing countries are developing fast and becoming more prosperous. There are great opportunities in this country for a vigorous American competition. We should not cut ourselves out of that by a negative attitude on trade.

The fourth myth I want to deal with is that imports have a greater impact on jobs than exports. Imports do have an impact on jobs. That is the reason we have the adjustment assistance program. It is extremely liberal in this bill; so that those affected by imports will not have to carry the full burden of the benefits of a liberal trade.

But exports also have a major impact on jobs. Certainly they do in my home city of Rochester, N.Y. Certainly they do in large parts of this country.

Those that say that unemployment is the inevitable result of trade outreach are ignoring the fact that in 1953 we had 61.1 million jobs; in 1972, 81.7 million jobs. Something good has been happening during this period of time, or this economy would not have been able to generate such a tremendous increase in the job market.

The fifth myth, that we are so blameless in trade ourselves, that we have nothing to negotiate about, that we would have to give away concessions that would cut into the muscle of the American trade in order to get concessions from our more discriminatory foreign trade partners. I happen to be one of those who thinks we are more sinned against than sinning in trade; but let me say that we are by no means blameless. We have a number of nontariff barriers of our own—in marketing agreements, quotas, sanitation requirements, buy-American provisions, and things of this sort on both State and National level. Generally our tariffs are slightly higher than those on the European Continent, following the Kennedy round. There are many areas in which mutual concessions are possible and should be sought.

A sixth myth about this bill in particular is that we are giving the President a blank check. In fact, the central issue the Committee on Ways and Means struggled with was the issue of balance and how much discretion we should give the President, realizing that the initiating force in this aspect of foreign policy lies with the Congress. We have set up an elaborate system of congressional review and veto to be sure that Congress has throughout the process a major input into negotiations about the interests that inevitably concern our constituents. Our role, provided by this bill, prevents a blank check to the President and insures extensive congressional reviews and consultation.

Another myth is that free trade is a liberal position. I say to my conservative friends who think the conservative thing is to be against trade outreach, they are opting for a paternalistic government. You are voting for government control if you want the Government to protect American industry from competition. Competition is the cutting edge of American initiative. We are quite capable of competing in the world, using American knowhow and the tremendous resources that our fathers have given us. If we sit back on our haunches and say, "Protect us, protect us," we certainly are not expressing great confidence in the effectiveness of our system.

I hope our conservative friends will understand that competition, whether it be foreign or domestic competition, is also one of the major things that is keeping prices down in this country. Our incomes policy has not been all that effective.

So, I say to the Members who are conservatives, please understand that they are not taking necessarily a conservative position if they opt for Government protection of industry and a larger Government role to minimize foreign trade instead of the competition that we all believe in.

The last myth I want to mention is the myth that Russia will do anything to get American trade. Frankly, we are one of the only countries in the world—perhaps China is an exception—that does not permit trade with Russia on a nondiscriminatory basis. The Russians, quite obviously, want to normalize their relations with the United States to a greater extent. Trade is a neutral vehicle of contact, and it is not going to be of significance unless it is to mutual advantage.

The Russians obviously are concerned about the repetitive pattern of confrontation that I think concerns every person in this Chamber, and so they are anxious to normalize trade relations.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York.

Mr. CONABLE. However, the Russians will be able to trade with American industries located as subsidiaries in Europe if they cannot trade with America directly. They will be able to trade with all the other Western allies who do not have discriminatory treatment of the Russians as part of their trade policy, and it seems to me inevitable then that somehow Russia will make out whether she has the opportunity to trade on a nondiscriminatory basis with American-sited industries or not. I question whether the Russians will go to the extent of changing their entire system to take advantage of trade.

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

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

Mr. WOLFF. Mr. Chairman, I thank the gentleman for yielding. I take it the gentleman is a supporter of NATO and has been over the years?

I quote from the study that was prepared by the Center Force Strategic and International Studies. It says:

> The Russian assertion of support for détente in Europe is believed by those governments to be a means toward Moscow's ultimate aim of destroying the NATO alliance.

I also ask the gentleman a question in re the People's Republic of China. Does he say that most favored nation status should perhaps be given to the People's Republic of China, as well?

Mr. CONABLE. Mr. Chairman, I think there is no reason why we should not have the option of moving at least to increase our trade with China. I think it is going to be difficult and is not going to amount to as much as many people would hope, but——

Mr. WOLFF. We can look forward to that as a step toward progress giving assistance to our adversaries, I take it?

Mr. CONABLE. Well, I think the opportunity can be progress. Of course, it has to be carefully done.

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

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

Mr. HAYS. Mr. Chairman, the gentleman is telling how nice it would be to have trade with the Russians, and to a degree I can agree with him, but would he tell us how helpful they have been lately with the Arabs? They want trade on the one hand, but stir up all the trouble they can on the other.

Mr. CONABLE. I do not maintain Russia is a great friend of the United States. However, I do want to have contact with the Russians on some other level than military and political. I would like to see the Russians have a vested interest in peace and cooperation instead of continuing to be isolated to whatever extent American policy can isolate it. I deplore the repetitive pattern of confrontation that we all know.

Mr. SCHNEEBELI. Mr. Chairman, I yield to the gentleman from Tennessee (Mr. DUNCAN).

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

[Mr. DUNCAN addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. SCHNEEBELI. Mr. Chairman, I have no further requests for time at this moment.

Mr. ULLMAN. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. CORMAN), a member of the committee.

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

Mr. CORMAN. Mr. Chairman, almost everything that can be said about this bill has been said; about the state of the world and the state of our problems at home.

It is apparent that the world is in a state of transition.

For more than a generation, we have shared with the rest of the world our bounty in aid, and we hoped for a long time that this aid could be converted to trade. I think we are on the threshold of that conversion.

The developing nations are creating for themselves an industrial capacity, thus developing both the capacity to consume and to become customers of other nations.

Other areas of transition are evident also. Perhaps the most important single one concerns the Common Market, with its very substantial growth in membership; its wealth, and its role in world trade. The Market now rivals us in size and in productivity.

Japan, of course, is a strong force, having become a significant competitor of the United States in world trade.

Mr. Chairman, the effect upon the U.S. of these two competitors will certainly not diminish. They will continue to negotiate with each other to rearrange their trade patterns and to compete for new customers wherever they can be found. We must be at that bargaining table, too, with some kind of reasonable authority to negotiate in our own interest.

Another area in transition is our own industry. How can we provide the great bounty of consumer goods we need? A century agot it took 80 percent of the laboring force in this country, just to produce our food and fiber.

Today it only takes 5 or 6 percent, maybe less. That does not mean that the other 70 or 75 percent of the people are unemployed. Through the years, other kinds of employment have become available.

Today, because of automation, there is a rapid disappearance of low-skilled jobs. We can do things better through technology than we can through the sweat of our brow. It will soon take only a handful of people to man our factories.

There is nothing wrong with that. It is good. There is no reason to condemn a substantial portion of the people in this country to drudgery labor. It does not mean that they need to be unemployed; it means that they can turn their talents and abilities to something more constructive than tightening a nut on a bolt.

If we did not trade with other nations, if we closed our harbors tomorrow, we would still continue to automate our industries. Low-skilled jobs would disappear, and we would be faced with the problem of providing for their economic needs during the time it takes for retraining and reemployment.

It is not trade that is causing the loss of jobs; it is automation. In the long run, that is good.

There were some alternative proposals to the bill of the Committee on Ways and Means. The principal one was the Burke-Hartke bill, which among other provisions, would have set up a series of restrictive quotas. Quotas lend themselves to monopoly. They lend themselves to price fixing, and they lend themselves to high-handedness and chicanery on the part of the bureaucrats who administer them. Quotas, in my judgment, are the worst possible way for us to attempt to regulate trade in a free economy.

If we want to recall some of the problems we have had with quotas, we can remember what happened to the price of beef and the availability of petroleum, after fixing import quotas on those two items alone.

Mr. Chairman, I respect very much the gentleman from Pennsylvania. As much as any Member in the House, I share with him the concerns of the laboring people in this country. But I would say to the gentleman that honest men, with common objectives, can look at the same set of facts and reach different conclusions. I have reached one which is substantially different from his.

The gentleman expresses concern about the fact that he has not enough personal wealth to come to my district and tell my constituents how I voted on trade legislation. I assure him that I will tell the folks in my district how I voted on this bill and why.

Let us look for a moment at H.R. 10710 and why it should be passed today.

International trade negotiations are now going on. During the next 2 or 3 years, I suspect there will be an almost complete reordering of the way various major trading partners will handle their international trade.

If we pass this bill today, there will be much time consuming work before the bill becomes law. The Senate must act. It will undoubtedly go to conference, and then there is the very troublesome problem of a possible Presidential veto. These are difficulties to be faced next year. Certainly, we can begin to solve these difficulties by passing the bill today in the House.

Mr. Chairman, in considering the bill the Committee on Ways and Means was seriously challenged to find a way to give the President sufficient authority to negotiate and yet protect American business and American labor from what could be bureaucratic high-handedness or favoritism. Now, there is always the threat of that in the best of administrations. I am not standing before you today to tell you we have the best administration we have ever had.

Mr. Chairman, I would like to answer those who have expressed concern that this bill grants the President too much authority. Nothing could be further from the truth. This bill will give the Congress a greater voice in the development of trade policy than ever before.

In just one aspect of the bill's provisions, that of congressional disapproval procedures, the bill returns to Congress some of the power it has lost over the years.

Actions the President takes under the first four titles of the bill are subject to the disapproval procedures. Thus, whenever the President negotiates a nontariff barrier agreement under the bill, that agreement and its implementation would be subject to congressional veto. Under title II, when the President departs from the congressional guidelines in imposing import quotas, his action is subject to disapproval by the Congress. Whenever the President retaliates against unfair or discriminatory practices abroad by restricting imports, that action also can be vetoed. Finally, the President's action to extend nondiscriminatory treatment to Communist countries or to continue such treatment can also be vetoed by the Congress. Thus, quite aside from the consultative procedures required by the bill, the congressional disapproval procedures will assure Congress its rightful role in international trade policy.

The mechanism of congressional veto is relatively new; I doubt it will be used very often; yet I think it will be an effective check on this administration.

The bill is a good balance. It will lead to expansion of both exports and imports, and that is good.

Mr. Chairman, I urge support of H.R. 10710.

Mr. SCHNEEBELI. Mr. Chairman, this is positive and progressive legislation, and it is necessary for the progress of this country. I recommend to my colleagues that we vote positively on this bill.

I yield back the balance of my time.

Mr. ULLMAN. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, this bill has been carefully worked out by the committee; it is a responsible bill. All of the controversies that have been before the Congress and the Nation appeared in the committee, and we fought the battle and came out with solutions that are sound and responsible. This bill protects U.S. industry. There has been mention of the steel industry, and there are special provisions that will take care of steel imports in those cases where foreign government ownership of steel plants cause problems for our industry plants. Under the Waggonner amendment it gives the President direct authority to take action to protect the industries adversely affected by subsidized exports to the United States.

With respect to the countervailing duties, we were under a great deal of pressure to assure domestic producers the right of judicial review. That is provided in their bill here. On the antidumping provisions there will continue to be the right to judicial review also.

This bill starts a new procedure of

congressional surveillance which I think is tremendously important.

There are four different veto procedures that will allow Congress to work its will. If we fail to pass this bill I think we are on the road to disaster. Protectionism and isolationism in the world in which we are living is the road to disaster. This is not an easy vote; it is a tough vote but it is a right vote. It is a right vote for the Members and it is a right vote for this country in this crucial stage of history. This is the road to economic growth; this is the road to jobs and this is the road to peace.

Thank you, Mr. Chairman.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. MILLER).

(Mr. MILLER asked and was given permission ot revise and extend his remarks.)

[Mr. MILLER addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. BIESTER. Mr. Chairman, I rise in support of title V of the trade reform bill.

Title V provides authority for the President to grant generalized tariff preferences to developing countries on the imports of semimanufactures, manufactures, and other select products. While the President is given rather broad discretion in determining the eligibility of those nations qualified to receive duty-free treatment, factors which he is required to weigh include the country's level of economic development, its MFN standing and its preferential trade status with other nations. Articles eligible for preference are so determined only after the Tariff Commission has submitted its advice and other agencies and individuals have had the opportunity to make known their views. Certain items including watches, textiles, shoes, and specified steel products are not eligible for preferential treatment. Furthermore, an article exported from an individual developing nation will lose its tariff preference if more than $25 million worth of that article is imported annually by the United States from that source or if imports of that commodity from an individual developing nation constitutes 50 percent or more of U.S. imports of that article. Thus, American industry and its workers are protected from imports and import levels which could cripple domestic industries.

U.S. policy and congressional sentiment acknowledges that the developing nations must display initiative and determination to solve their own economic and social problems if they expect to receive U.S. aid and assistance. This attitude is reflected in the Mutual Development and Cooperation Act now approved by Congress. While development assistance will continue to play a critical role in and have a considerable impact on the developing nations, trade offers a promising vehicle through which these nations can most meaningfully and realistically acquire a greater degree of self-assurance and economic independence.

Much of the developing nations' exports to this country is admitted duty-free under MFN status and thus falls outside the scope of any generalized preferential tariff system. Furthermore, preferences do not cover all dutiable items since some have been excluded to protect domestic markets. Therefore, while the amount of trade subject to the generalized system of preferences is not extensive, that which is should be liberalized in order to provide developing nations with the additional markets critical for realizing their development goals.

These nations represent a substantial and growing market for American goods. At present, developing countries purchase approximately 30 percent of our exports valued at about $15 billion. These exports have doubled within the past 10 years and have contributed trade surpluses to our balance-of-payments picture. About one-half of all developing nations' trade in manufactured goods is conducted with the United States. If we expect to maintain or improve on this—and I feel strongly that we must—we will have to make the kinds of concessions and mutually beneficial agreements that will enable us to be competitive with the European nations and Japan.

Export sales provide foreign currency to developing nations—80 percent of their total—which increases their buying power on the world market. Their demand for manufactured products from the industrialized nations means more jobs for workers and a brighter economic picture for those nations which can and are willing to provide those goods which and which have demonstrated a cooperative attitude in mutual trading relationships. The fact that certain European nations have special preferential trading agreements with many of the developing nations will not be much of an incentive to the developing nations to "buy American".

As a member of the Foreign Affairs Committee, I have had the opportunity to confer, both here and abroad, with many representatives of developing nations. Their attitude, shared virtually unanimously, reflects an earnest desire for expanded trade opportunities with this country. If we turn our backs on the possibility of increased trade at the same time all other industrialized nations have adopted GSP—and they all have—then we cannot criticize or fault the developing nations for the trading policies they consequently adopt.

Recent worldwide grain shortages and the petroleum cutoffs have graphically and dramatically served to illustrate the growing economic interdependence of the world community. We, along with practically every other nation, have come increasingly to rely upon an ever decreasing supply of scarce resources, agricultural and mineral alike. The developing nations possess stores of critical resources, our access to which will depend upon the relationships we foster with them. Nigeria, for instance, is a leading world supplier of petroleum. As a dynamic and influential African nation, Nigeria is stepping up its demand for the kinds of manufactured and agricultural goods the United States can supply. There is little doubt in my mind that if Nigeria can obtain better terms elsewhere on that which it imports, its exports—including petroleum—can just as easily go elsewhere as well. Such action, if it occurred, should not be unexpected or looked upon as politically motivated or retributive; it simply makes good business sense and we would do the same under the circumstances.

Today, we have the opportunity to approve a provision which opens the door to greater trade opportunities for U.S. business and industry, a system of generalized trade preferences which will be an entree into maturing markets, a good-faith application of an attitude which can assure our access to essential and scarce raw materials. If we deny to the developing nations GSP—which every other industrialized nation has extended them, which is mutually beneficial to them and to us, which is a logical expression and extension of the friendship and concern we have historically demonstrated—they will consider a denial of GSP an incomprehensible affront to their determined efforts to achieve and succeed.

Mr. Chairman, I strongly urge the House to support retention of title V.

Mr. CULVER. Mr. Chairman, I commend the Commitee on Ways and Means for its long and arduous deliberations on the trade bill.

The committee's bill represents a needed departure in U.S. trade policy. For the first time under the bill's provisions our negotiators would have authority to deal forthrightly and directly with unfair and unjustifiable trade policies of other countries. The committee's bill provides ample negotiating authority in the area of tariff and non-tariff barriers and also, for the first time, provides a credible system of safeguards to protect U.S. workers and domestic industries from injurious import competition.

The committee has wisely restricted Executive discretion as well as provided detailed procedures that should assure adequate and responsible Congressional participation in, and oversight of, the national trade agreements program. Similar procedural safeguards have been provided to assure that consumers and importers, as well as domestic producers and workers, have the opportunity to make their views known on particular trade policy issues before the administration acts. This act is balanced and realistic and addresses itself to the principal issues which confront the United States in the international economic scene.

I am particularly gratified that the committee rejected the administration's original proposal to substitute a somewhat improved unemployment insurance program for a special program of adjustment assistance for workers and firms injured by increased import competition. I wish the committee had gone further than it did in this area.

The Subcommittee on Foreign Economic Policy, which I chair, last year made an exhaustive study of adjustment assistance in the hopes that our findings would be of value to the Committee on Ways and Means and to the House membership when it focused its attention on trade policy. To a large extent, the con-

clusions reflected in the adjustment assistance provisions of H.R. 10710 and those reached by the subcommittee in its report are in substantial agreement. Adjustment assistance is to be preferred as the least costly policy alternative for dealing with injury resulting from import competition. This important point is often ignored or disputed because the costs of adjustment assistance are visible as a budgetary expenditure, while the vastly greater costs of import restrictions are hidden in the higher costs consumers and producers must pay for goods subject to tariffs and quotas.

Mr. Chairman, the committee bill totally overhauls and streamlines the current adjustment assistance program's petitioning and certification procedures and centralizes responsibility for these functions in the Secretary of Labor and Commerce respectively for worker and firms. Further, the qualifying criteria for groups of workers, individuals, and firms have been eased to guarantee reasonable access to the program and to facilitate rapid-delivery of program benefits. These reforms are critical to the future success of the program; without them there would be little reason to provide adjustment benefits, since they would not be deliverable in time to be of assistance to workers.

The package of benefits has also been improved. Cash trade readjustment allowances have been increased. The maximum allowance payable has been increased substantially from 65 percent of the average weekly wage in manufacturing to 100 percent of that figure. If the new ceiling were in effect today, an unemployed trade-displaced worker could receive up to $155 a week compared to the $101 weekly maximum the present program provides. Allowance increases for workers making less than the average weekly wage are less generous—70 percent of the average wage for the worker's first 26 weeks of unemployment and 65 percent for subsequent weeks as compared to 65 percent for all weeks in the current program.

Unfortunately, the bill improves only marginally the manpower and employment services provisions of the Trade Expansion Act. These have not been effective. Adequate funding for these services was not provided and frequently a worker's eligibility for program allowances terminated before placement in suitable training was possible. Training is a valuable adjustment aid that has proven its effectiveness in enhancing both the employability and productivity of workers. I hope the funding authorization for the manpower bill we recently passed will prove to have adequate provision for trade impacted workers or that the Secretary of Labor undertakes to provide funds specifically for services to such workers.

The relocation provisions of the bill are an improvement over the present program. Access to relocation benefits is not restricted and workers may receive job search allowances as well as relocation allowances and expenses.

As I stated earlier, the program of adjustment assistance in this bill does not go far enough, but it represents a measurable improvement over the existing program, and I can support it.

This country lacks a national manpower and industrial policy. The social and human costs of rapid technological change, changing trade patterns, changing energy requirements and resources, and other inherent dynamics of our economy make it imperative that we deal systematically with our manpower and industrial problems. This point was made by the President's Commission on International Trade and Investment Policy and by the Subcommittee on Foreign Economic Policy. The concerns being voiced by labor and management in adversely affected sectors of our economy are real concerns which must be confronted if we are to maintain our preeminence as a responsible world power.

In the report of the Subcommittee on Foreign Economic Policy we stated that:

> With the imminence of new multilateral trade negotiations, it is all the more timely to provide a workable trade adjustment assistance program, which can also serve as a demonstration model for a national manpower and industrial program. Moreover, a strong trade adjustment assistance program will strengthen our position in international economic negotiations as well as fulfill our responsibilities to our domestic economy.

I support H.R. 10710. It is far-reaching legislation that should be enacted in the national interest. I support the revamping of the adjustment assistance policy in the bill, and have confidence that it serves as a workable point of departure from which further improvements can be made as it proves itself to be a viable alternative to unwise and costly import restricting measures.

Mr. FASCELL. Mr. Chairman, if we are to have a multilateral trade negotiation with any hope of accomplishing the ambitious objectives we have set out for this one—the so-called Tokyo round—the developing countries of the world must participate in it.

What is it we are trying to achieve for the United States in these talks?

Are we trying to open up new markets for U.S. exports, which still today represent a marginal 4 percent of our gross national product?

Are we trying to break down unfair and illegal barriers to U.S. exports—such practices as preferential tariff arrangements—which favor the exports of our developed country competitors in third world markets?

Are we trying to win fairer access to the markets of other industrialized countries?

Are we trying to create new demand for our exports in the developing countries by helping them help themselves to industrialize and diversify, so that they can better earn the foreign exchange to pay for imports from the United States?

Are we trying to assure dependable sources of supply for our increasing need for strategic raw materials?

Are we serious about trying to improve our credibility abroad and redeem commitments made over the last three administrations?

I believe we are trying to achieve all these objectives and if we are serious about accomplishing them, then we will need the fullest support of the developing countries in the forthcoming trade talks.

For many reasons the developing countries will be playing a significantly greater role in the multilateral trade negotiations than ever before. The so-called group of 77 developing countries which helped to create the United Nations Conference on Trade and Development (UNCTAD) is now actually 9 6in number. In the 83-member General Agreement on Tariffs and Trade (GATT), almost two-thirds—53—are developing countries. If one adds the 16 countries, all developing, which have provisionally acceded to GATT or are considering it, the ratio is closer to 5 to 1—83 percent. These countries have obviously become an important force, not only as individual nations, but also as a combined group.

For years we have heard charges that the "have" countries of the world are doing too little to try to facilitate a greater role for the "have nots" in the politics of the world economy.

Now we need the voices of the developing countries in the councils of international monetary and economic affairs. We need them because their own increasing importance and numbers make it impossible to have effective reform of world systems without them; we need them because in international forums such as GATT which are structured on a one-country/one-vote basis their votes carry a lot of weight. We also are witnessing a dramatic demonstration of our own increasing dependence on developing countries for certain raw materials of which they are important suppliers.

If we are to achieve the more open and less discriminatory world trading order we seek, we must count on the support of at least some of the developing countries in order to achieve a better balance in a truly international reform of the rules of trade. The forthcoming talks are not, and must not be seen as, simply a confrontation between the United States and the European Community and Japan.

We have similar or common trading problems with many of the developing nations. For example, even though we are the largest industrial Nation in the world we still share a strong identity with many developing countries as an exporter of certain types of agricultural products. We share with the many developing countries the damage to our trade that is caused by artificial nontariff barriers and preferential trading arrangements. Trade preferences now extended by Europe to the Mediterranean and African developing countries favor these countries over others—in fact, they discriminate against others in a way which prevents diversification of economic relations for those who are not members.

We have, in fact, already begun to see the importance of this commonality of interest with the developing nations in the preliminary negotiations of the current round of talks. In Geneva, the developing countries have already stood with the United States on key procedural questions under consideration

Further, we need the developing coun-

tries both as a market and as a source of supply. As the Secretary of the Treasury testified recently, the developing countries provided a $14.6 billion market in 1972 for U.S. goods and services. In fact, as a group, they purchase more from us than we do from them. Perhaps more important, they provide us with one-third of our raw materials imports, and that proportion will only grow in the future. The United States is, in fact, already dependent on other nations for more than 50 percent of our supplies of 6 out of 13 major raw materials required by our industries and this dependence is expected to grow sharply in the years ahead.

The system of generalized preferences which the trade bill grants authority to offer is only one of the factors which should be taken into account in this effort to involve the less developed world more meaningful in the broadest possible trade talks. But it is an important factor, and as our trade negotiators have testified, possibly a sine qua non.

Now, I must add here that this system of generalized preferences is no "free ride." The use of the authority is subject to numerous checks and balances. Its basic limitations and restrictions are these:

A "competitive need" formula under which, unless waived by the President—a beneficiary would automatically lose its eligibility for GSP on any article which the President determines it has supplied 50 percent of total U.S. imports of that article, or a total value of the article in excess of $25 million a year over "a representative period."

An "eligible article" must be one which meets these tests:

First, it must have been so designated after a Tariff Commission investigation of the probable effects on domestic producers of like or directly competitive articles, public hearings, and the advice of interested departments and persons;

Second, it must be imported directly from a beneficiary and whose total value or value added is substantially attributable—a minimum of 35 to 50 percent—to the direct costs of materials or processing in that beneficiary; and

Third, it must not be subject to an escape-clause or national security clause action.

A "beneficiary developing country" must be one which meets these tests:

First, it must be so designated by the President after taking into account a long list of considerations, including the expressed desire of the beneficiary to be so designated; the level of economic development of the beneficiary; whether or not other major developed countries are extending generalized tariff preferences to such beneficiary; and whether or not such country has taken U.S. property without provision for prompt, adequate, and effective compensation.

Second, it must receive MFN equal tariff treatment; and

Third, it must not grant reverse preferences, or, if it does, it must give satisfactory assurances such preferences will be eliminated by the end of 1975.

In extending duty-free preferential treatment, the President must take into account in addition to the considerations listed above, the extent to which other major developed countries are "undertaking a comparable effort" to assist beneficiary developing countries.

All other major industrialized nations with the exception of Canada maintain some type of trade preference for the developing countries.

Our proposed system, while comparing favorably to others, will have a quite limited impact on U.S. imports.

In 1971, U.S. imports of products which could be declared eligible for generalized preferences totaled $2.7 billion. The competitive need formula eliminates preferences on $1.2 billion or 43 percent of this amount. The $25 million rule alone would exclude $946 million or 35 percent of total eligible imports while the 50 percent rule alone would exclude $288 million or 11 percent. This leaves a total estimated trade coverage based on 1971 figures, of only $1.5 billion.

Nor can the preference plan be said to benefit products manufactured by so-called "runaway" U.S. plants in certain areas abroad. The countries most affected, in terms of the absolute value of otherwise eligible imports excluded, would be Hong Kong, Taiwan, Korea, and Mexico in that order. In fact, there has been some criticism that the "competitive need" formula, which limits duty-free treatment to imports of less than 50 percent of the U.S. market or an annual rate of $25 million over a representative period, favors the least developed of the developing countries. Frankly, this proposal is designed to favor the lesser developed nations, an objective which is shared by many other industrialized countries and by many of the developing countries themselves. Tariff preferences should be used as an instrument to build competitiveness, particularly in the important manufacturing and semimanufacturing industrial sectors of the developing nations, and not as a crutch on which an exporting country should continue to rely beyond the point of relative competitiveness with the products of either the developed nations or those of the more advanced LDC's.

If we were to offer indiscriminate trade preferences to the exports of all developing countries, those developing countries which have already become highly competitive and need no artificial help would realize the bulk of the benefits. This is not the purpose of this plan; rather it is to enable the poorer and less competitive countries to earn their way more equitably.

Let me reemphasize the factors that underlie our need for a generalized system of preferences. The developing countries, especially including the Latin American nations, need export development and expansion of their manufactures and semimanufactures as a critical element in their economic development. The increased foreign exchange earnings of the developing countries will benefit our exports. We need their support and participation in our efforts to negotiate a freer and less discriminatory world trading system. In other words, we each have something to offer and something to request from the other. The returns to the United States from such a policy promise to be substantial. The trade preference proposal in this bill provides a bridge to connect our mutual objectives.

In sum, this is an idea whose time not only has come, but which is long overdue. Title V of the Trade Reform Act of 1973 should be overwhelmingly endorsed and enacted without further delay.

In conclusion, as chairman of the Inter-American Affairs Subcommittee I would like to remark briefly on the importance this bill has for our hemisphere neighbors as an indication of our continuing willingness to work together for a better future.

On October 5, Secretary of State Henry Kissinger hosted a luncheon in New York for delegates to the United Nations from Western Hemisphere countries. He issued an eloquent invitation to our neighbors to initiate a new dialog aimed at the creation of a renewed spirit of inter-American cooperation based on a careful joint review of all the issues which confront our nations. In response to Dr. Kissinger's invitation the foreign ministers from Latin America and the Caribbean met in Colombia from November 14 to 16 and issued a document setting forth their views as a basis for discussion with the United States at a meeting to be held with Dr. Kissinger in Mexico early next year. One of the central points raised in the statement of the foreign ministers, entitled "Bases for a New Dialog Between Latin America and the United States," concerns the "structure of international trade and the international monetary system." In that section the foreign ministers stress that:

> The United States should urgently implement its general scheme of preferences and apply it without reciprocity or discrimination. Preferences now in effect should not be impaired during the multilateral trade negotiations; they should be expanded.

Clearly, the Congress has an opportunity today to respond to this request by the hemisphere foreign ministers and to provide our new Secretary of State with a tool he needs if he is to effectively use his considerable talents to restore to our inter-American relations the mutual confidence and respect which so long characterized them.

Mr. DENT. Mr. Chairman, yesterday we were told that the bill before us is not a perfect bill.

No one in this body can disagree with that. Indeed, should the bill be perfect, it would be the millenium.

But we were told in the next breath that the opponents of this bill represent only a narrow self-interest. And we were told that this narrow self-interest is in defiance of the national interest.

Mr. Chairman, it is hardly a secret that the AFL–CIO and the UAW are strongly against this bill.

But to try to discredit this opposition by the implication that it is against the national interest is the shoddiest of tactics, particularly to make the bill a matter of "politics" by AFL–CIO President George Meany.

The constituency of the AFL–CIO is 13.5 million working and taxpaying American citizens. They are interested

in what kind of jobs they will have and what kind of standards of living this Nation is to have.

This bill goes directly to what kind of jobs Americans will have in the future, and what kind of standard of living this Nation will have.

Is that narrow self-interest?

This is not just a bill that affects 13.5 million members of the AFL–CIO. It affects all Americans. That is why the AFL–CIO is interested in it.

And for too many Americans, this bill raises the threat of increased imports which will affect their jobs and their standard of living. For too many Americans, this bill increases the threat that their jobs will be exported out from under them, or that the technology they have been depending on for a high standard of living will be sent abroad rather than remaining here and producing. For too many Americans, this bill raises the threat that the industry of America on which we have depended to take care of an expanding work force will be further eroded in the name of international trade.

Mr. Chairman, I do not deny that we need a trade bill. But we do need a trade bill that—as this one does—puts the interest of our trading partners ahead of the interests of the American worker and the American economy.

The charge was made that only a narrow self-interest group of steel, electrical, textile, and shoe workers, support this bill. This is surely not true. The AFL–CIO convention in October 1973, adopted unanimously a resolution opposing this bill, all strata of American workers were represented. The 13½ million AFL–CIO workers and their families represent a major part of our economy. They have a personal stake in this country and its economic future. The real "self-interest" in this legislation are the corporations, whose beneficiaries will collect their dividends and profits whether the factories are here or in Taiwan. The American worker has a self-interest in America, in a good livelihood, a high standard of living, and a strong economic future. If that is self-interest, then every American should plead guilty. It is unfortunate that an attempt is made to becloud the issue.

It is regrettable that remarks were made yesterday that would have been better left unsaid. Uncomplimentary aspersions were made about a man whose life has been spent in and on behalf of the American worker, both the organized and unorganized worker.

Mr. Meany deserves better treatment. When he favored the 1962 trade bill he was considered a patriot and broad minded statesman. Today, 10 years later, millions of jobs lost, industries closed down, business and enterprises moved to foreign shores to produce the goods and services once produced by better paid, better clothed, better housed workers, Mr. Meany keeping before him his lifetime goal, jobs and dignity for American workers, has voiced the wish of the workers and is opposing the monstrous fraud.

For this he is pictured a wily politician.

It was said that he does not run for office as often as Congressmen do. The records show Mr. Meany runs every 2 years and has a constituency of 13,500,000 voters, covering the entire 50 States.

This, like many things said in the heat of debate, was not meant in the manner in which it was said. I disbelieve that any Member of Congress is unappreciative of his lifetime of service to his people, his organization, and his country.

Mr. Chairman, the voices raised most strenuously in behalf of the trade bill now being considered by the House come from U.S.-based multinationals.

They are for the bill, of course, because they have the most to gain from it.

One of the arguments for the multinationals in support of this bill is that by permitting them to expand abroad, it will result in the creating of employment here at home.

To support this claim, the multinationals depend partly on a set of statistics compiled by the Department of Commerce. These appear to show that the firms most active in foreign investment between the years 1966 and 1972 had a greater gain in employment in their U.S. facilities than did other corporations. The multinationals and their organizations also have studies which, not surprisingly, reach the same conclusion.

Then they make the claim that their foreign investment has created U.S. jobs.

This is a misleading bit of statistical trickery.

It can be true that those corporations which invested most heavily in foreign subsidiaries showed a greater gain in U.S. employment. But that does not make it true, as the multinationals would have everyone believe, that foreign investment is thus responsible for faster job growth at home.

Let's look more closely at the claim.

The multinationals examined by the Commerce Department are not just corportations which invest overseas. They include America's largest concerns which are the largest employers, the largest defense contractor, the largest recipients of Government contracts at all levels.

And significanly, they are the concerns most heavily engaged in mergers and acquisitions.

The unique character of these corporations was noted in a report to the Congress by the Tariff Commission early in 1973.

> The multinational firms are neither minor employers nor a special case which can be analyzed independently of the national economy. They are the backbone of the demand side of the labor market, the firms which . . . have the biggest quantitative punch in terms of the number of people they hire.

The claims of net job creation by the multinationals are highly vulnerable. As well as being active in direct foreign investment, the multinational concerns were heavily engaged in domestic mergers and acquisitions. Subtract the employment additions from the claimed job growth, and a different picture emerges.

The Emergency Committee for American Trade claims from its own studies an employment growth among multinationals in the decade from 1960 to 1970 of 36.5 percent compared with an employment growth of 30.3 percent for all industries. But without the job additions to these concerns as a result of mergers and acquisitions, the multinationals growth is 21.6 percent—considerably less than the all-industries figure.

Mr. DE LUGO. Mr. Chairman, I am pleased to rise in support of the Trade Reform Act of 1973, and specifically to praise the outstanding work of our distinguished and learned colleague, AL ULLMAN. During his service as temporary chairman of the Ways and Means Committee, Congressman ULLMAN's unceasing efforts were responsible for drafting what I am sure will be one of the most important legislative documents of this decade. The American people are indeed fortunate that the Ways and Means Committee, which has such a predominant place in the Nation's economic destiny, is guided by the outstanding Chairman WILBUR MILLS, and the no less able ranking majority and minority members, AL ULLMAN and HERMAN SCHNEEBELI.

The opponents to this bill have suggested that because of its complexity and profound impact on such an essential facet of the Nation's commercial life, that action should be deferred for more settled times. However, it would take the most uninhibited optimist to predict that the future will be any less harried than the present. For the very reason that this is a difficult time in our national history the Congress cannot avoid making the important decisions, but to the contrary must reassert its position of leadership by enacting legislation such as this.

The ever growing interdependence of countries and regions on international trade as a means of assuring national viability is one of the great economic realities of the 20th century. If the United States is to maintain a position of leadership in this system of expanding world trade, it is vital that the President be given the new negotiating authority contained in the Trade Reform Act.

I am convinced that the unique and unprecedented congressional and public participation written into this bill provides adequate safeguards against any abuse of authority. In addition, the bill not only offers protection for workers and industry from possible harm caused by negotiated import increases, but in so doing improves present procedures for compensating injuries from foreign imports.

The extreme care with which the committee approached this legislation is demonstrated in the consideration given to our territories. As many of you are aware, products manufactured in the Virgin Islands and other insular possessions may enter the United States duty free provided that no more than 50 percent of their value is of foreign origin. The intent of Congress in passing this legislation has been fulfilled in that many new and important sources of employment have been attracted to the territories to take advantage of this provision. However, the Trade Reform Act gives the President authority to grant duty-free status to certain products from developing nations, and this in theory could have a devastating effect on the territories.

Thus, I was enormously gratified that, acting upon my request, the committee has included in its report unequivocal qualification of this Presidential authority. The report states that the committee strongly believes that the products of U.S. insular possessions should under no circumstances be treated less favorably than those of foreign countries. Likewise, the committee stated that the President should consider the extent to which any duty-free treatment accorded a foreign state would affect the economic well-being and development of the insular possessions.

Mr. Chairman, I cite this example not only because of its importance to my constituents in the Virgin Islands, but also to show the extent of the thought and detail the committee has given to the preservation of important national interests.

Thank you very much.

Mr. CARNEY of Ohio. Mr. Chairman, I rise in opposition of the so-called "Trade Reform Act of 1973," H.R. 10710. I believe that the passage of this legislation would do serious damage to our standard of living, it would do serious damage to existing laws that protect our society, and it would do serious damage to the industrial backbone of our Nation.

Mr. Chairman, at the present time the American people have lost confidence in their President—yes, and even in their Government. The American people are literally begging the Congress to reassert its rightful powers under the Constitution. Yet, the bill before us today would further erode the power of Congress and place vast new powers in the hands of the President. These new powers would enable the President to negotiate agreements with foreign countries which would affect every area of our economy.

Mr. Chairman, the economy of the United States is fast becoming a service economy. American businesses are providing services to American consumers while goods for American consumers are being produced abroad. America cannot survive as a service economy.

Many traditional American industries now are located in foreign countries in order to take advantage of cheap labor and tax loopholes. Look at the number of foreign cars in the United States. Many of them are manufactured by American companies located abroad. Where are all the shoes being manufactured? Where do all the radios and televisions come from? Where have all the jobs gone? This bill does nothing about these problems.

Mr. Chairman, the fact is that American jobs and American technology are rapidly being exported overseas and this legislation would speed-up their departure. Furthermore, the assistance program for American workers who lose their jobs because of foreign imports or plant relocations abroad is totally inadequate.

At a time when our country is suffering from high unemployment, inflation, dollar devaluations, and trade deficits, the passage of this bill would do a great disservice to the American people. I urge that it be defeated.

Mr. BURLISON of Missouri. Mr. Chairman, I am voting against the President's trade bill for a number of reasons. One is that it seeks to regulate the internal affairs of another country. It is realized that the President is not to blame for this provision inserted in the bill.

Second, special trade concessions are made for so-called underdeveloped nations which merely will add to our foreign aid outlays which I oppose.

Another reason, perhaps most important, is that this bill will give far more power than should be given to this President. Even without this bill we saw just a few months ago how this administration looks upon our farmers when their interests are pitted against processors and/or consumers. The President placed an embargo on soybeans, thus reducing prices for farmers from $12 to $6 within a weeks' time. The administration came within a hair of doing the same thing on cotton. All this in view of the fact that no other scarce commodity has been embargoed, nor has there been a serious threat to do so. There are numerous examples of commodities more scarce than soybeans or cotton that were permitted to remain free of export embargoes or controls, such as petrochemicals and other oil products, fertilizers.

This example of blatant discrimination constrains me to vote against this new grant of vast economic and trade powers to this President.

Mr. DOMINICK V. DANIELS. Mr. Chairman, there are many provisions of the trade bill now before us which have not been adequately explained so that their full ramifications are evident.

There are many provisions in the bill which grant special concessions to so-called "developing countries" which I believe, if more closely examined, are far more damaging to the U.S. economy than they are helpful to these countries.

Imports from these so-called developing countries are not inconsequential. From a figure of $12.1 billion in the first 10 months of 1972, imports rose to a total of $16.2 billion in the like period of 1973—an increase of 33.9 percent.

The developing countries which get favored treatment under the provisions of the administration's trade bill are not all proverty-stricken entities. Such nations as Taiwan, Singapore, and others—which presently have full-employment economies and sizable trade surpluses with America—are included.

What is disturbing that nowhere in the hundreds of pages and thousands of complex and confusing words of this bill is they any definition of a "developing country." We should at least be laying down some careful guidelines as to what are the conditions under which we will extend trade concessions to these nations.

Most of the nations currently in the category of developing countries have high tariffs and other barriers against U.S. goods. And title I of the administration trade bill would permit these nations to keep whatever barriers they have in negotiations.

Title V of the bill permits another concession. The President can remove all tariffs on imports of manufactured products from these developing countries. There are some restrictions on this authority, but the President can, as one of the many and extensive powers granted to him in this bill, decide that the "national interest" requires that he not apply these restrictions.

Thus, the bill creates a special atmosphere and a specially protected status for developing countries, many of which have low-wage economies.

Further, these provisions encourage United States-based multinationals to relocate production in these protected enclaves, at the expense of U.S. jobs and production, and shipgoods back into the United States under low-wage conditions.

Mr. LONG of Maryland. Mr. Chairman, I commend the distinguished Ways and Means Committee for its exemplary effort in the complex area of international trade. I especially commend the committee for the reductions and restrictions it has made in the trade powers requested by the President. The provision that allows a veto by either House of Congress of any agreement to remove nontariff barriers is a model of congressional restraint of Executive power.

However, this congressional veto on agreements to remove nontariff barriers is not duplicated in three other areas in which the bill grants the President significant powers. These three other major powers are as follows:

First, power to impose import surcharges or quotas in case of balance of payments deficits;

Second, power to remove tariffs or quotas on imports to help control inflation; and

Third, power to lower tariffs or to raise them 50 percent above the 1934 Smoot Hawley levels.

First, the President has authority under section 122 of the bill to impose import quotas and a maximum 15 percent import surcharge to help correct balance of payments deficits. Under this section, the President has a free hand for 150 days. After these 150 days, Congress must extend the authority for these actions or they will end. However, Congress should have the power to stop such actions before they are taken, not after they are a fait accompli. Under this section, representatives of inefficient industries would have 150 days in which to rally supporters who would benefit from protectionist measures.

Second, under section 123, the President may remove tariffs or quotas on imports to help control inflation. Again, Congress has no say for 150 days after which time Congress must extend these actions for them to continue. The only other restriction on the President's sweeping power under this section, other than the exception of certain articles, is that the removal of tariffs and quotas cannot apply to more than 30 percent of the total value of U.S. imports at the time the actions are taken. Whereas the principle of increased competition to control inflation is correct, the sweeping powers granted the President under this section for 150 days without any congressional limitation are disturbing.

Third, and most important, under section 101 the President has authority for 5 years to reduce or increase tariffs. His

powers to reduce tariffs are moderate: tariffs of less than 5 percent may be eliminated; tariffs of 5 percent to 25 percent may be cut up to 60 percent; and tariffs over 25 percent may be cut up to 75 percent, but to a level of not less than 10 percent. However, the President's power to raise tariffs under this section is frightening. He may raise tariffs to 20 percent above the 1973 level or 50 percent above the 1934 Smoot-Hawley levels, whichever is higher. The 1934 tariff levels, set by the infamous Smoot-Hawley Act of 1930, prolonged and deepened the Great Depression by inducing foreign retaliation, shrinking exports, and increasing unemployment. And the President may raise or lower tariffs under this section without any congressional veto or check on his decisions. What assurance do we have that this or another President will not raise tariffs to harmful levels, as well as use other protectionist powers provided by this bill, in a misguided attempt to protect domestic industry?

Nominally, of course, the purpose of this trade bill is to reduce tariffs and other trade barriers by providing the President with negotiating authority. But in fact, the bill grants the President enormous powers, that could be used to restrain as well as to increase trade, without adequate congressional limitations on these powers. Of the President's power to raise tariffs 50 percent above the Smoot-Hawley levels, there exists no possibility for congressional restraint.

I am a free trader and support efforts to reduce trade barriers in order to provide higher standards of living for all nations. However, this trade bill could just as well serve protectionist ends. Moreover, another principle is at stake here—the principle of checks and balances between the Executive and the Congress I fear that this trade bill surrenders too much power to the President without adequate congressional limitations.

However, I shall reluctantly support the trade bill with these reservations and shall urge Congress to use all the powers it has to correct any excesses committed by the President, including the repeal of authority granted under this bill.

Mr. YATRON. Mr. Chairman, one of the most dangerous provisions of the administrtion's trade bill is the authority for the President to negotiate away present nontariff safeguards.

These safeguards in many cases take the form of laws on the books specifically passed and dealing with product safety, consumer protections, environmental standards, and other domestic safeguards.

Under the administration's bill, the President would be given authority to negotiate away these safeguards. Agreements concluded under this authority could wipe out not only Federal law, but also State and local law. The governing bodies would have have to go back and pass these laws all over again—if indeed they were aware of what had been nullified.

The President would have to notify Congress 90 days in advance of his intent to enter negotiations on nontariff safeguards, and then would have to give Congress 90 days in which to veto the agreement. But in the danger is that these agreements could be packaged in such a complex manner as to make rational evaluation by the Congress impossible.

Mr. Chairman, there is enough confusion in this bill with respect to nontariff safeguards without subjecting the Congress to this further confusion.

Mr. GAYDOS. Mr. Chairman, when the administration sent us its Trade Reform Act of 1973 not so long ago, it was accompanied by assurances from many of the President's spokesmen that the sweeping powers it sought would be used to assure the United States a more even break for its products in the world market, and to help safeguard domestic industries and jobs. Our new trade policy, it was implied, would be geared to getting trade concessions from others rather than so freely giving as in the past.

But the more these same spokesmen talk, the more it seems the old habit of giving concessions with regard to trade rather than getting them is just too strong to break. Now that we have given almost every other nation in the world free and open access to the American market—which has resulted in a deluge of imports which have wiped out hundreds of thousands of jobs and meant the disappearance of countless industries—we seem all too eager to now open the barriers to the Soviet Union.

As evidence of this, listen to what J. Dapray Muir, Assistant Legal Adviser for Economic and Business Affairs in the State Department, had to say in a recent speech:

> The importance of trade between the U.S. and the Soviet Union cannot be overemphasized; the Soviet Union is a reservoir of vast quantities of raw materials of interest to the U.S.; and its market potential for consumer type products and machines for making such products is immense . . . for these reasons, the nondiscrimatory tariff treatment for Russian products which is the precondition for the increased trade contemplated by the October Trade Agreement and which the President has, in his Trade Reform Act of 1973, requested Congress to enact, are of great importance.

Despite what Mr. Muir says, I believe that the importance of trade with the Soviet Union can be overemphasized—and I am afraid that that is just what we may be doing.

I believe that we, in the Congress, need to know a great deal more about what the United States is talking giving in terms of what we are getting before we rush to grant the Soviet Union the same tariff treatment we give other nations. We should be in no hurry to help the Soviets build up their economy if it is going to involve the deterioration of our own economy here at home. And if we hastily lower our barriers to the importation of cheaply made Soviet goods into this country, that is exactly what we are in danger of doing.

I think the Congress should be well aware of what stakes are involved with respect to what this administration has in mind concerning trade with the Soviet Union before it undertakes consideration of any trade bill.

Mr. BARRETT. Mr. Chairman, when all the technicalities in this proposed bill are boiled down, the simple result seems to be that the United States is the least favored nation in the proposals now before the Congress. When MFN and NTB and GATT and all the other alphabet soup of letters and trick phrases are examined, it looks as though the United States is left out of the considerations.

Let us look, first, at the term "most favored nation." We are told by the experts that this term merely means that countries which now do not have equal tariffs on their products into the United States will have the same tariffs as every other country. But that does not take into consideration that those countries are so constituted—both in national and international terms—to protect their economies absolutely. Thus the Communist countries get equal rights with all other countries to have the same tariffs. But the United States does not have equal rights to sell in the markets of the Communist countries.

Let me give you just one example: The United States is expected to have a 10 million auto market this year—including imports. It does not matter where they come from? Is the United States going to sell automobiles to the countries which will get most-favored-nation treatment? No, the United States is going to sell the productive capacity to make automobiles with the newest equipment paid for by credits from the United States. That is the kind of bargain that says: You get what you want and I will take what you give me. Now, nobody believes that the Communist countries are going to sell their working people 10 million cars. But everyone believes that more cars will be imported into the United States. So, what happens? The wall against U.S. goods remains, but we have to give the other countries an "equal" chance to ship autos into the United States.

Published reports say that the trade between the United States and the Soviet Union will expand to $3 billion this year—with or without most-favored-nation treatment. That is one prediction—recently in the Journal of Commerce.

But title IV and the least-favored-nation with the Communist countries is not the only problem in this bill. The United States is the least favored nation in terms of GATT also. The GATT, according to this bill, should be revised. But any industry hurt by imports is not supposed to be helped under the GATT, in title II, because the old rules apply to U.S. industry while new rules are being negotiated. How can anyone stand still for that kind of a bill?

And title I and V of the bill also make the United States the least favored nation because the bill authorizes the negotiators to make bargains on nontariff barriers—NTB's—with the developed countries only. The developing countries can keep their nontariff barriers, it says by implication. So, what will hap-

pen? The developing countries are expected to export to the United States $2 billion a year if present trends continue. So, if Mexico or Brazil or Spain or Taiwan or any other country—friend or foe—has high barriers to U.S. exports, they can keep them, as long as the President decides it is in the national interest to consider these countries LDC's or "developing." But the United States has to give those countries not only the most favored nation equal rights to this market, but special preferences for their manufactured products. That makes us the least favored nation with everyone.

There is no expertise needed to understand this kind of a proposal. This is a proposal that will leave the United States less well off and every other nation—Communist or non-Communist, rich or poor, better off. In a losing game, should the United States not try to win for a change?

That is why I urge the defeat of the bill.

Mr. LEGGETT. Mr. Chairman, the Trade Reform Act of 1973 is, by and large, a sound and workable proposal. It has received the benefits of the collective wisdom of a great number of people, and has emerged as a document of compromises which should enable it to do the job for which it was designed.

I voted against the rule on this bill because I feel that the timing is not particularly auspicious for such an undertaking; with the President inescapably shadowed by the black cloud of Watergate and the international economic scene in disarray caused by the recent events in the Middle East, I believe that a short wait before taking up this proposal would allow us to see more clearly where we are headed. Nevertheless, there can be no disputing the fact that we have been without authority to conclude international trade agreements since 1967—the longest such period in our history; that there have been massive shifts in the world's economic structure for which we must make adjustments; and that the negotiations which would produce these adjustments have broken down because our trading partners, aware of this lack of authority, have been rightfully afraid to conclude good faith agreements knowing that they could not be binding on the United States.

The effects of our inability to act have not been pleasant; two currency devaluations and a reversal of our traditional favorable balance of trade are the prices we have had to pay for our lack of flexibility in this area. I believe that the bill reported by the Committee on Ways and Means presents us with the tools to deal with our trade problems in a meaningful, and certainly less cataclysmic, way.

Those who oppose the bill make the criticism that it erodes to an unacceptable degree congressional prerogative in the area of foreign commerce. On balance, however, I feel that the committee has provided us with adequate safeguards to insure that, while the United States is able to act decisively, the Congress remains in a position to see that it does not act precipitously. We retain the authority to review and veto such actions as removal of nontariff barriers, imposition of import surcharges or quotas, lifting of import restrictions, total removal of significant tariffs and quotas, and undue retaliatory measures taken by the President.

In addition, this bill provides more meaningful protection to workers and firms significantly harmed by increased imports. We all recognize that our current system of compensation for import injury is, to say the least, inadequate; labor must be provided more adequate protection from the vagaries of international trade.

The Trade Reform Act of 1973 will facilitate petitioning procedures, speed eligibility determinations, ease qualifying requirements for worker assistance, and increase benefits to affected individuals. Labor is the backbone of American production, and deserves every bit of this protection.

Possibly the most controversial portions of the bill are title IV, respecting most favored nation treatment, and the amendment that the gentleman from Ohio will offer concerning Export-Import Bank credits. I deeply regret the necessity for these provisions. The United States has always done its best to adhere to the U.N. Declaration of Human Rights which guarantees among other things the right of individuals to emigrate as they please, and I have always agreed wholeheartedly with that position. Certainly no one here can dispute the fact that emigration from other nations has allowed our own to become a tremendous example of what all men are capable of; yet we find today that there are still places where a man is not free to choose an alternative residence.

In sum, the trade bill we have before us is the very best we can do based on what we know and believe to be true; I strongly urge its passage with the Vanik amendment.

Mr. MAHON. Mr. Chairman, I shall vote for this trade bill with the hope that the bill is a move in the right direction. Admittedly it is far from perfect. I have opposed and do oppose some of the provisions in the measure.

It is my hope that as the legislative process continues the bill may be improved. The Senate must act on the measure and thereafter a Senate/House conference will be required. Of course, the content of the final version is not known at this time but I hope the final measure will be reasonably acceptable.

In view of the great interest in the bill and the significance of what the House is doing today I wanted to make the remarks for the RECORD.

Mr. BINGHAM. Mr. Chairman, foreign trade is the economic lifeblood of every industrialized nation. As the most industrialized Nation the world has ever seen, the United States must engage vigorously in world trade. In fact, the United States is the largest single trader in the world and has a substantial stake in maintaining and increasing the free flow of trade between nations. New York City in particular, as one of the major hubs of international commerce, relies heavily on the exchange of goods between nations for the employment and livelihood of hundreds of thousands of its citizens.

H.R. 10710, the Trade Reform Act of 1973 before us today, represents a major congressional effort to improve the ability of the United States to engage in trade. It is designed to build upon the so-called Kennedy round trade reforms of 1962 and allow the United States to retain its role in the expanding world trading system. Our economy and the world trade situation have changed so rapidly and so radically over the intervening years that the progressive trade policy fashioned 11 years ago requires modification if the United States is to survive as a great trading nation.

The Nation has had no authority to negotiate new trading agreements with other nations since 1967, and since that time the United States has had increasingly severe trade and monetary problems. Without new, flexible authority, the United States could well begin to lose out on its share of growing international markets, and the recent upturn in our trade balance could falter and again decline.

The Trade Reform Act is being considered under a "modified closed rule"; that is, only certain amendments will be permitted to be offered on the floor of the House. I voted against that rule, first, because I believe the consideration of this important legislation is ill-timed. I would have preferred to see the bill taken up early next year, when the Senate will also be ready to consider it and when the Nation will be in a better position to judge the performance of some of our major trading partners of the future, such as the Soviet Union.

This bill would allow the extension of favorable trade relations with the Soviets under certain conditions, but such policies should be held in abeyance until the Soviets adopt a more responsible attitude toward settlement of the Middle East dispute. I cannot agree with the argument that we should extend most-favored-nation status and tax credits to the Soviets in the hope that they will become more responsible members of the world community. They should prove their desire for détente and increased trade by joining the United States in promoting a direct negotiated peace in the Middle East. Then, and only then, should we consider expanded trade relations, always insisting on a free emigration policy.

I was opposed to the modified closed rule on another ground: It does not permit the House to consider amendments to our tax laws which would discourage American investments abroad that damage the job picture at home. In my own trade bill, H.R. 17133, which I introduced on October 13, 1972, I had proposed various measures of this type. Regulation of these investments and the practices of multinational corporations should have been included in this legislation. Since it was not, I voted against the rule permitting immediate consideration of this bill. I now encourage the Committee on Ways and Means to turn its attention to these issues early in the second session of the 93d Congress.

Since the rule providing for consideration of the bill has been adopted, I have

decided to support the bill. On balance, I have concluded that H.R. 10710 is a responsible effort to give the President authority, subject to a variety of limitations, to enter into new trade agreements, to reduce, increase, or eliminate tariff and nontariff barriers to trade.

The President asked for unlimited authority, but the bill in title I sets limits on the amount of cuts that can be made, while granting short-term authority to raise or lower surcharges and quotas to restrain inflation or regulate the balance of payments. The bill also for the first time directs the President to give U.S. attention to nontariff barriers, which today constitute greater impediments to international fair trade than tariffs do.

It also directs the President to work for new, fairer rules of international trade, rules that have grown to be favorable to European countries and unfavorable to the United States. New rules governing unfair trade practices, international labor conditions and standards, and the tax structure of member countries need to be negotiated if the United States is to have a fair chance to compete in world markets.

Title II of the bill authorizes substantial relief from import competition to U.S. industries by giving the President authority to set up import protections for industries suffering from or threatened by import competition. The President must notify Congress of industries which request such assistance, and he is authorized to apply duties, quotas, and orderly marketing agreements to protect affected industries from harm. Workers and firms could also be granted relief from imports through an improved system of trade adjustment assistance. The program presently in effect has been ineffective, providing Government compensation to only 40,000 American workers because of import-related industry disruption.

In my own bill I called for easier and simpler access to relief, and increased worker benefits of unlimited duration. The provisions in H.R. 10710 are not as liberal as I would like, but they do allow workers and firms substantial help from the Government in the form of weekly compensation, training, and relocation benefits.

Title III of the bill allows the United States to retaliate against countries which unfairly restrict imports or discriminate against U.S. exports, or subsidize their exports to the United States. This new authority should help protect our own industries and open up new markets in such nations as Japan through a more equitable handling of trade matters between nations.

Title IV would permit the extension of most-favored-nation status to nonmarket countries on the condition that those nations allow the fundamental, internationally endorsed right to freedom of emigration. I also expect an amendment offered by Representative VANIK, which would also deny the extension of U.S. credits to such nations as the Soviet Union unless they allow free emigration, to be overwhelmingly approved by the House. Together, these provisions should provide tremendous leverage for the United States to help protect oppressed minority groups in Communist nations. Without these provisions and without this bill, the United States could continue to grant credits for international trade to the Soviets without any consideration of their treatment of Soviet Jews. This is an important factor in any decision to vote for this bill.

H.R. 10710 is clearly a very flexible instrument which the President can use to increase U.S. participation in world trade while protecting our own industries from unfair competition. It does not freeze into law a rigid set of protections, which some workers and companies threatened by increasing imports would have liked. Instead, it gives the President a negotiating instrument with which to gain new advantages for the United States in international markets through forthcoming multilateral negotiations. It is not blank check authority, however, since it includes Congressional guidelines, requirements for investigations and public hearings, consultations, and disapproval procedures. The bill also includes numerous safeguards to prevent or compensate for substantial injury to domestic firms and their workers. The bill allows the President to deal with two equally important concerns: The expansion of international trade with increased U.S. participation and the safeguarding of our own workers who may suffer from that expansion. The President must now use that authority wisely, and the Congress must use the oversight, consultation and veto powers reserved to it to make sure that wise and fair policies result.

It is said that the Congress should not delegate to any President, least of all the present incumbent, such powers as are delegated to the President in this bill. I am all for the Congress asserting its proper role in matters of foreign trade and foreign policy, and especially on the great questions of war and peace. But in this case the Congress cannot possibly do what we want the President to do: The Congress cannot negotiate trade agreements or negotiate for the reduction of nontariff barriers; this is something that only the Executive can do. Since the adoption of the first Reciprocal Trade Act in 1934, and especially since the Kennedy-round negotiations of the early 1960's the Congress has appropriately had to leave the prime responsibility for trade negotiations to the Executive. This has been a traditional part of the kind of constructive foreign policy favored by the Democratic Party, and we should not abandon it simply because a Republican is in the White House.

I am deeply concerned about unemployment in my district and elsewhere in the country, and I am worried that unemployment will grow as a result of the energy crisis. Moreover, I respect and understand the fears of those, especially of my friends in the labor movement, to the effect that under this legislation imports may cause additional unemployment, in spite of protective measures I have mentioned that are included in this bill.

However, it is my profound conviction that those who oppose H.R. 11710 on this ground are paying insufficient attention to the unemployment that will follow if our foreign trade does not continue to grow. The total slowdown of our economy, indeed the depression, that would ensue if we follow the course of economic isolationism would be catastrophic—far more serious than the temporary dislocations that may be expected as we continue to pursue the policy that the United States should be the greatest trading nation in the world.

Mr. MATHIAS of California. Mr. Chairman, exports are vitally important to American agriculture and the enactment of the Trade Reform Act of 1973 will be beneficial to our agricultural industry. American farmers must export to live. Without exports, the health of the farm economy and that of the entire Nation would be jeopardized.

Since our farmers are geared to produce in excess of the Nation's ability to consume, a vigorous and growing export market is vital to an economically sound and prosperous agriculture. Without strong export market outlets, farm income would drop, rural America would suffer, and hundreds of thousands of workers employed in the agriculture related industires—farm suppliers, handlers, transporters, processors, and merchandisers—would be out of work. A strong farm export market, therefore, is important to the entire Nation.

Farm exports mean better incomes for farmers, abundant food at moderate prices for American consumers, and reasonably priced foodstuffs for people around the world. They are also a principal source of the Nation's foreign exchange. For example, we pay for oil with soybeans, wheat, cotton, hides, and the other items of our agricultural abundance. Furthermore, our capacity to export food has been and continues to be a major factor in our efforts for peace. Food exports played a major role in achieving a détente with the Soviet Union and are a factor in renewing our relations with the People's Republic of China.

It is important to our farmers and to the entire agricultural industry that we encourage the reduction or elimination of trade barriers and increase accessibility to foreign markets. The Trade Reform Act is a major step toward open and nondiscriminatory trade. It is the responsibility of the Congress, therefore, to provide the President with the necessary authority to negotiate for improved trading conditions for agriculture.

Mr. BROYHILL of North Carolina. Mr. Chairman, today the House of Representatives faces a critical decision which will shape America's foreign and domestic policies for years to come.

I think that nearly everyone agrees that the time has come for some basic shifts in our international trade posture. The international marketplace of trade in the 1970's is no longer the marketplace that we knew in the 1950's or 1960's. Major structural changes in the world economy have occurred as Germany and Japan emerged as strong economic and competitive powers. The world monetary system has become increasingly unstable and inequitable. The result of all of these changes has been the evolution of a world

market structure vulnerable to recurrent crisis, protectionist sentiment and economic stress and distortions.

In recognition of the changes necessary in the international economic system, trade reform has been a No. 1 priority of the 93d Congress. Numerous proposals have been made by the administration, by interested parties, by labor unions, business and industry to effect that reform. In my opinion, we owe a real vote of thanks to our colleagues on the House Ways and Means Committee for the job they have done in putting together these diffuse and oftentimes contradictory perspectives into a piece of generally sound and workable trade reform legislation.

The major purpose of this legislation is to renew the President's authority to negotiate multilaterally trade items such as tariff levels and nontariff trade barriers. This authority, which last expired in 1967, is absolutely necessary if the United States is to take a strong initiative in forging a new international economic order which recognizes and protects the legitimate interests of America.

The administration has shown that it can use the authorities in this bill wisely and in the best interests of America and the international economy. The recent progress in Geneva at the GATT talks on a multinational trade agreement is an indication of the abilities and strength of our negotiating team.

But this trade reform bill does much more than simply concern itself with the needs of expanding our trade abroad and stabilizing the world economy. It also explicitly addresses itself to the needs of the American worker and American business.

H.R. 10710, the Trade Reform Act of 1973, increases our powers to deal with unfair trade practices of other nations. Sanctions to deal with the dumping of cheaper, below-cost foreign goods, restrictive and discriminatory foreign trade barriers, and other such practices are improved. This means, of course, additional protection for American jobs against unfair foreign competition.

H.R. 10710 also offers other improvements in the protection of American jobs and industry from foreign goods. The most basic improvement is in relief from economic injury due to foreign competition. This relief is offered in the form of adjustment assistance to both firms and employees. For eligible workers adversely affected by foreign trade competition, there is a liberalized benefit program including higher cash allowances, job training, employment counseling and placement, and other relocation benefits.

The Trade Reform Act is not perfect. But it goes a long way in providing a workable foundation for today's and tomorrow's new international economic world. The House of Representatives can do its part by passing H.R. 10710 today.

Mr. FRASER. Mr. Chairman, I rise in support of title V of the Trade Reform Act of 1973.

We cannot hope to have a peaceful and stable world composed of an affluent minority and an impoverished majority. As the richest Nation in the world, we should make good our long-standing commitment to implement a generalized system of tariff preferences for the poorer nations. In doing so, we would be acting not out of altruism, but in our own self-interest.

Export growth is essential for development. The developing countries have been concerned about generalized preferences since 1964. In their view, the present international trading system discriminates unfairly against them and discourages expansion of third world exports. Industrialized country tariff rates on manufactured imports from low-income countries are considerably higher than on those from developed countries. Some of the poorer nations believe that the major powers want to perpetuate a system that is allegedly designed to hinder their industrialization and to prevent their emergence as more important trading nations If aspirations for development among the poorer nations in Asia, Africa, and Latin America continue to be thwarted, levels of tension and violence will continue to rise, and development of democratic institutions conducive to human dignity will continue to be frustrated.

The best way of achieving development, economic development, experts agree, is not through massive aid programs nor inward-looking import-substitution policies on the part of the less developed countries, but through outward-looking policies of export promotion.

The economic growth of the third world has always been in the best interests of the United States. Thirty percent of our exports—$15 billion a year—currently go to the developing countries, This is already a sizable market, but its potential is even greater. The developing countries offer an expanding market for U.S. exports of agricultural commodities and of high-technology, high-skill manufactured products. In turn, we depend upon the poorer nations in significant measure for imports of essential raw materials, of low-cost labor-intensive products. and of investment income. Our goals can be best realized if there is recognition of our mutual trading interests.

The United States alone among the industrialized nations of the world has yet to implement a generalized system of tariff preferences. Sixteen major powers, Japan and the European Community included, have done so. Canada is about to implement system, and five Eastern European countries including the Soviet Union have announced generalized preference systems.

When we implement a generalized system of preferences, we can call on other countries to phase out special preferential arrangements and so-called reverse preferences, which would otherwise shut us out of important markets.

There has been steady proliferation of special preferential arrangements between some developing countries and the European Community. These special preferences discriminate against the United States and other third countries which are not a party to any such special arrangements. A worldwide system of generalized preferences under which all developed countries accord comparable tariff treatment to all developing countries would remove the justification for special preferences and the discrimination that goes with them.

The problem of reverse preferences—preferences which the poor countries give to certain rich countries—could also be eliminated through implementation of a generalized system of preferences. Reverse preferences are harmful to U.S. interests and to those of the developing countries as well. They increase the cost of imports necessary for development. Title V provides that to be eligible for preferences the developing country must agree to eliminate reverse preferences by January 1, 1976.

Developing countries do have a competitive advantage in low technology manufactures. We know that imports of these goods can increase competition in developed-country markets and can create problems. But title V is cushioned with safeguards to protect American industry and American workers.

Since generalized preferences are now being extended by nearly all industrialized nations, the increased flow of products from the poorer countries will be widely spread among the markets of the developed countries. The increase of U.S. imports resulting from generalized preferences is not expected to reach 1 percent of our imports of manufactures and will involve a wide variety of goods. There is little possibility of serious pressures resulting.

Title V restricts the amount of any one product that may enter the United States from any one supplier country. Preferences are to be terminated for any product from a less developed nation when those imports reach $25 million in value, or 50 percent of the total value of our imports of that particular product.

Preferential tariffs granted under the system proposed in title V are limited to a 10-year period. This is meant to insure that preferential tariff benefits are confined to small and beginning exporters.

In addition, all items subject to import relief action, such as watches, shoes, textiles, and certain steel products, are excluded from preferential treatment.

For these reasons, then, the United States will not experience adverse consequences from the extension of generalized preferences to the poorer nations.

Generalized tariff preferences in favor of the poorer nations of the world will help these countries shake themselves free of poverty. They will at the same time provide expanded markets for American exports and help insure continued U.S. access to essential raw materials.

For our own economic well-being as well as for our future good relations with the rest of the world, it is of the utmost importance that we implement a generalized system of tariff preferences for the poorer nations.

Mr. BADILLO. Mr. Chairman, I have given a great deal of consideration to the legislation before us and have attempted to weigh the pros and cons as they were presented to me by our colleagues and by interested individuals and organizations. There is little question that our trade policy urgently requires adjustment and realinement in a number of key areas and that the manner in which tariffs

are negotiated and duties set must be reformed. Certainly the United States must be aided and encouraged to vigorously participate in world trade negotiations—such as the GATT negotiations now underway in Geneva and the bargaining to be initiated early next year in Japan—and the executive should be given the necessary tools and authority to engage in meaningful trade discussions. On balance, however, I believe that the measure we are now considering reforms nothing and that a number of aspects may very well be harmful to our own economy and to our future trade policy.

I am, for example, deeply troubled over the new authority granted to the President to enter negotiations which alter the basic structure of international trade and to move on areas affecting many aspects of the domestic economy. Although some protections are ostensibly provided by granting the Congress authority to closely monitor negotiations and provide for a congressional veto over nontariff barrier agreements, I am not at all sanguine that such a mechanism will work as effectively as is envisioned. I feel that this particular feature is deceptive. We have had enough experience in recent months and years to realize that the Congress will most likely not veto any complicated trade agreements on an up-and-down basis.

By failing to provide for any sort of regulation of the vast U.S.-based multinational corporations, H.R. 10710 cannot be classified as a bill effecting any needed reforms. It has been very aptly noted that some $3 billion in revenues are lost each year because of the tax advantages which exist to aid and encourage these multinational giants. We must also consider the fact that these corporate operations export essential jobs, capital, and technology which, in many instances, result in imports which displace American-made items.

There are two aspects of this measure which I very strongly support and which I am convinced must be integral parts of it. The amendment offered by our distinguished and able colleague from Ohio (Mr. VANIK) denying credits to any country which denies freedom of emigration for its citizens and title IV which extends most-favored-nation tariff treatment to only those nations guaranteeing to their citizens the right of emigration are essential and are two issues on which there can be no compromise. As one of the original cosponsors of the Mills-Vanik Freedom of Emigration Act I have spoken out here and elsewhere on countless occasions in support of these two features and of the right of people throughout the world—but particularly those Jewish citizens in the Soviet Union seeking to emigrate to other nations—to travel and emigrate without harrassment, intimidation, or undue restrictions.

The United States in good conscience simply cannot extend credits or most-favored-nation status to any country which pursues repressive policies such as those being perpetrated by the Soviet Union against its Jewish citizens. As Mr. VANIK clearly stated in yesterday's debate:

> The amendment serves notice to other nations of our feelings on this fundamental question of human rights; it telegraphs to them the steps they will have to take before full trade eventually commences.

These two sections of the bill must be enacted and I am pleased to urge their passage.

In the final analysis, however, I cannot support the passage of the trade bill. I am aware of the many hours which the Ways and Means Committee devoted to this legislation and the many concessions and other agreements which were concluded in order to favorably report a bill of such importance. Nevertheless, for the reasons I have mentioned as well as for other defects which have been discussed by a number of our colleagues I do not believe that the enactment of this legislation is in the best interests of the Nation's trading ability or domestic economy. Thus, while I give my wholehearted support to the freedom of emigration portions of the bill, I intend to oppose it on final passage.

Mr. ASHBROOK. Mr. Chairman, central to our consideration of the Trade Reform Act of 1973 is the action we shall take concerning trade with the Soviet Union. The administration has asked for and vigorously pressed granting most-favored-nation status to the Soviet Union. The administration has also worked to block attempts to attach any conditions to expanded East-West trade.

Détente and all of its illusions has become the order of the day. Despite the Soviet wheat fiasco and the millions of dollars of unpaid debts owed by the Kremlin to U.S. citizens, American businessmen are rushing to Moscow.

Congress must decide whether unconditional trade with the Soviet Union is in the national interest. I, for one, believe that for the United States to develop the industrial and military capacity of a self-declared enemy is neither rational or moral.

Nothing makes this point more clearly than the Israel-Cambodia security assistance bill which will be before Congress later today. This bill would authorize appropriations of $2.2 billion to Israel and $200 million to Cambodia. The reason we will have to make these vast appropriations is to counter the military expansionism and reckless foreign policy of the Soviet Union. It is insane to vote funds to block Soviet military maneuvers while at the same time helping to develop the Soviet economy. Such a policy can only end in national suicide.

The Soviets have been and are involved in an arms buildup in the Middle East. Before the most recent war, they sent thousands of weapons including advanced SAM's to Egypt and Syria. These weapons destroyed equipment provided by the United States to Israel.

Now this may not be too unusual in itself, but there is one additional factor involved. That factor is that the West has built up this Soviet military might.

The GAZ-69 rocket launcher used against Israel was built in a Soviet plant built by an American firm. The ZIL-130 truck, a standard Soviet army truck, is manufactured in a plant built by another American firm. The Soviet T-54 tank—again in use against Israel—has a type of suspension system which the Soviet Union purchased from another American firm. Many of the weapons were sent to the Middle East by Soviet ships. The Soviet shipbuilding industry has been highly dependent on the United States. Now, of course many of these same weapons and vehicles were used in Vietnam to kill American fighting men and are still being used against allies in that part of the world.

In recent weeks I have detailed new "deals" with the Soviet Union—deals that are being underwritten by credits provided by or guaranteed by the U.S. Government or governmental agencies. Those deals include a highly advanced petrochemical plant. Advanced petrochemical industry is an important part of any Nation's military might.

The Soviet wheat deal, oiled with American Government credits, only cost the United States money. The cost of these other deals may be much higher. The American taxpayer through his tax dollars no longer should be asked to finance his enemies. It is time to say no to further credits to the Soviet Union granted or guaranteed by the U.S. Government.

Mr. ROBISON of New York. Mr. Chairman, in the past few decades we have witnessed a gradual redistribution of the centers of international superiority in the various categories of global power. As technology and communication improved and the benefits thereof spread more evenly throughout the world, the gaps of the past in defense, science, and trade have been largely diminished, if not removed. The upper berth of leadership which the United States used to hold in economic, military, and technological circles is no longer guaranteed. This position of America dominance was forged out of an aggressive dedication on the part of the American people, as a young nation, to build a place for themselves in the world community. The mobilization of our then abundant resources and talents, and the resulting quality and quantity of our production, were the envy of established and emerging nations alike.

Our world is continually changing—this being one of the few aspects of modern life that one can depend upon. So, the roles and relationships of the past on the international level are constantly being altered and reshuffled. Recognizing the inevitability of change and the inbuilt rigidity of our present system, we have to now embark on the difficult, but necessary, course of reforming our economic system, thus carving out a new posture for the American people in the dynamic, new world environment.

We are caught, along with our world neighbors, in a cycle of runaway demand and diminishing resources. Often, we now find ourselves looking to other countries for the natural resources and finished products which we need to maintain our present standard of living. The United States has been operating since 1967—the year the Trade Expansion Act of 1962 expired—without a clear, concise policy

for new American initiatives in world trade. In that intervening period of time, traditional trading patterns have changed, the production capabilities of other countries have improved, and the initial steps for world monetary reform have been taken. It is within this setting, then, that the Trade Reform Act of 1973 was developed and is now proposed. This bill prescribes a more open system, calling for expanded cooperation on both the national and international levels to meet the needs of all people.

We are also seeing a growing interdependence among the policies of many countries in the world in the areas of security, politics, and economics. Whereas, the conduct of international trade used to be of concern to only a handfull of specialized economists and businessmen, the years of inflation, several dollar devaluations and projected fuel shortages now make the determination of trade policy an issue of concern for all Americans. The areas of trade, world politics, and defense can no longer be discussed in isolation. As dramatized by the course of "Arab oil diplomacy," each area of our world now affects, and is affected by, the others with increasing frequency. It has been recognized that building a healthy and workable linkage between two or more countries on one level can lead to the strengthening of relations on other levels. The posture of the United States in trade is a vital component in the process of creating both the atmosphere and the mechanisms through which all nations can cooperate and communicate. An expanded and open exchange and resulting understanding will hopefully lead to a lasting peace in the future.

The Trade Reform Act of 1973 is an important part of the effort to increase the number of channels for global communication and exchange. This long-awaited and vastly important piece of legislation is a step in the direction of laying the foundation from which the United States can effectively deal with the problems and opportunities presented by this rapidly changing economic system throughout our world. The provisions of this act give the Nation the flexibility and authority to increase our participation in international trade.

The directions recommended by this bill are but a portion of a much larger effort for world peace and international order. Our approaches in the past have been piecemeal and unguided. But upon the enactment of this bill, on Government will have the ability to encourage change and the incentives to accomplish reform on the international level, as well as the tools to minimize any domestic difficulties as a result of our new posture. Multilateral negotiations and exchange for economic purposes will lead to a heightening of mutual respect both socially and politically. As often expressed by spokesmen for the administration, we must so broaden our efforts to enjoin the political powers throughout the world as to search for a means of dealing with mutual problems peacefully. This bill will help, not hinder, such efforts. There are ambitious efforts, but we cannot shrink from them. Enactment of this bill is not a guarantee of peace, but rather a substantial contribution toward that goal, one which reduces economic friction and sets the wheels in motion for nations to deal more effectively and expeditiously with one another, strenthening the bonds of cooperation and understanding between all countries, large and small.

The global importance of the Trade Reform Act notwithstanding, the economic benefits for the American people deserve our attention. By lowering tariffs and encouraging trade through negotiation, our new policy will promote the free and fair movement of men, products, and ideas internationally. The consumer will have a wider selection of products and be able to pay a lower price for many goods as a result of a more competitive participation by the United States in the international market. The American manufacturer will also benefit substantially for many of the products that have been researched and developed at home can now be exposed to expanded distribution abroad. Production in the United States can profit by sharing foreign technology and resources to improve our methods of production and from enlarging operations at home to meet the needs of increased distribution. In the long run, this new policy will mean more jobs and lower prices in our own country.

During committee consideration of this bill, an alternative proposal was made by forces which advocated a more restricted trading stance. This approach—known as the "Burke-Hartke bill"—called for a return to protectionism through stiffer tariffs and import quotas, in the hopes of safeguarding jobs at home. However, in my opinion this policy would increase economic tensions, rather than reduce them, through retaliatory actions by foreign governments toward the United States. The effects of the trade war that would be touched off by such protectionist legislation would be felt not only by the industries that would be unable to sell their products worldwide and lose the opportunity to expand their operations at home, but by the consumer as well, who must deal with the day-to-day realities of an inflationary economy by paying higher prices for many of their purchases. In an effort to limit imports, our present level of exports will be drastically decreased, as foreign countries find it more to their advantage to go to other nations to buy their goods.

The number of jobs created by protectionism to fill the gap left by fewer imports would be equal only to the number of jobs that would be eliminated by the loss of exports. When viewed in comparison, a system of free and open trade raises the prospects for international exchange on all levels—not just products and machinery—and will lead to increased prosperity for our countries and others more so than protectionism.

One would be negligent if he did not recognize the fact that some workers will be displaced by imports in several domestic industries. A policy of free trade will increase the flow of products from abroad and harm several industries at home, even while benefiting the Nation as a whole. Two such industries are in my congressional district in New York—the shoe and dairy industries. In a statistical comparison of those persons benefiting and those adversely affected, the number of workers who would be injured would be very small. But, in human terms, the impact to be felt by those workers who are in trade-impacted occupations would be considerable. Those persons—both young and old—with outmoded skills or limited financial resources, face a difficult task in redirecting their lives. The Nation has a responsibility to assist all such workers who are victims of any actions taken by the Government in the national interest The Trade Expansion Act of 1962 contained so-called readjustment provisions, but experience has shown that these programs were ineffective in meeting the needs of the recipients. In the past, applicants for such relief have found Federal programs inaccessible, cumbersome, and inadequate. Despite congressional intent, the mechanism for obtaining assistance was insufficient for the needs of the workers at that time. We must do better this time. Thus, the Trade Reform Act of 1973 takes some important steps in correcting the deficiencies of the original legislation and in providing help for both the industries and individuals affected.

For the provisions of this bill enable both the workers and the firms in "hardship" industries to receive all the benefits and assistance they are entitled to without delay. The petitioning process has been revamped. The criteria for eligibility have been relaxed, for now imports must only "contribute importantly to," rather than be the "direct cause" of hardship, as under the Trade Expansion Act of 1962. The Secretary of Labor must now make the determination for eligibility, with a greater number of economic factors to be considered, making it easier to qualify. Recipients will now be permitted to draw assistance for 52 weeks, as compared to the previous period of 26 weeks. Older workers, who are less able to find new employment, are given an additional 13 weeks to draw financial relief. Those workers who are training for new jobs will receive up to 26 weeks after their 1-year allotment, should their retraining period extend beyond 52 weeks. This provision particularly encourages displaced workers to look for new employment and avail themselves of training in new skills. Federal agencies must also adhere to stricter time schedules in acting upon petitions from both companies and individuals. The level of allowance, once eligibility has been established, is thus increased, along with relocation assistance, job search benefits, and the amount of help one can receive for training and reemployment.

So, the level of, and the access to, Federal adjustment assistance for both workers and industries affected by free competition and expanded imports through trade will be improved by this Trade Reform Act. This element is es-

sential if we aim to protect the quality of life for all workers—not just those who will benefit from more open and active trading with foreign countries. The present mechanisms for dealing with domestic market disruptions are bolstered by providing a more flexible system which enables the United States both to regulate duties and quotas as a means of facilitating adjustment and to conduct new negotiations with foreign countries if and when the circumstances demand.

H.R. 10710 has my full support. As an economic proposal it is a solid and consistent approach to the needs of the United States. It will enable our country to properly meet the promises of the future by easing economic tensions and by building a more open and flexible trading mechanism.

More importantly, the Trade Reform Act of 1973 makes a strong contribution to the ongoing effort for world peace and understanding President Nixon has initiated, by pulling nations together and negotiating solutions to shared political and economic difficulties. It is, then—and in so many ways—landmark legislation.

It is unfortunate, I think, that this fact has been overshadowed—both in this debate and in the bill's attention around the Nation—by the emphasis given to the so-called Vanik amendment and the principles of human rights which, rightly or wrongly, it has come to symbolize.

Actually, there were two Vanik amendments—and I have had my troubles with both of them. One specified that most-favored-nation trading status was not to be granted to any nation which directly denied its citizens the right to emigrate, or attempted to do so indirectly by levying head taxes or exorbitant exit taxes. This language was, for better or worse, included in H.R. 10710 by the Ways and Means Committee—over the objections of the President—and will apparently stay in title IV of the bill.

But there is also a second Vanik amendment which seeks to build on the intent of the aforementioned language as already in the bill. It would so so by further denying any investment credits or guarantees to nations practicing similarly repressive emigration policies.

This is the amendment we will vote on, today, and though I have comparable reservations about it, I have learned from months of extended and often emotional discussion with my constituents that a Member of Congress can only stand on one principle at a time. By that I mean that I have always had complete sympathy with the plight of those Russian Jews who have sought, often in vain, to leave Russia. But I have found it difficult to convey the idea your sympathy for them—our concern for their plight—is not the sole issue.

Instead, there is a second extremely important issue involved here which seems to me to be the propriety—let alone the wisdom at this especially delicate point in time for the concept of a Soviet-United States détente—of our attempting to legislate domestic policy for another nation. In staying one issue, it seems to be impossible to state the other at the same time and not be impaled on charges of bigotry and moral insensitivity. In wrestling with that ambivalence, I will not try to sacrifice one principle in defending the other. With some reluctance, then, I shall vote for the Vanik amendment which is to be offered from the floor today. Thereafter, however, it is my intention to vote for the amendment I understand my New York colleague (Mr. CONABLE) will offer, which would strike all of title IV—and the two Vanik amendments with it—from the bill.

Taking this position is not an easy task—especially given the sensitivity of the question and, particularly, the depth of the support from within my congressional district for the Vanik approach. But I would hope—as one who has given this matter considerable thought—that the basis of my decision to vote for the second Vanik amendment will be recognized as a sincere expression of my personal feelings about the repression of religious and cultural minorities in the Soviet Union. I would ask, also, that my decision to vote for the Conable striking amendment be recognized as one resting on a degree of principle and conviction equal to that demonstrated by those who have insisted on my support of the Vanik approach.

We must presume that the emigration policies of any country are part of the whole cloth of the culture and policies of its citizens. By mandating, then, the Vanik language, we are also mandating—as the Wall Street Journal has suggested—that the Soviet Union must change the basic nature of its society as a condition of future economic exchange with the United States. And, in my previous correspondence with many of my pro-Vanik constituents, I have suggested that such a policy fiat is comparable to a situation—or could be—in which the Soviet Union ties its relations with this country to the treatment of blacks, or Indians, in the United States.

It seems to me that, if this Nation is to make such serious judgments on the morality, or immorality, of another nation's domestic policy, any such judgment must be made by our Government, as a whole, speaking for the entire Nation—and that the legislative branch oversteps its bounds when it attempts to do so on its own.

In other words, any such judgment should come as a concerted response of the American Government—which concert does not now exist since the White House has strongly, and consistently, objected, at least at this point in time, to congressional use of this important and essential piece of legislation as a means to change certain actions or policies, however objectionable, of other nations.

The perspective, Mr. Chairman, I am seeking to draw on this question is the probability that the Vanik approach holds within it the much larger question—far larger, that is, than its domestic, political import—of the legitimacy of our overall present stance toward the Soviet Union. If this Nation is to judge that our relationship should somehow be altered, then it must do so in other ways than through an amendment—or amendments—to a piece of legislation granting the President new authority to negotiate mutual reductions of tariff barriers in an international round of trade bargaining.

That "larger question" is something we have not really, in this debate, addressed ourselves to—nor even scarcely recognized. Since, however, I find it involved in the action we are evidently prepared to take with respect to title IV of this bill, I think we should strike that title for the time being, thus allowing some time to elapse for a reconsideration of our course.

Finally, I will vote for the bill on final passage even if title IV—as amended—remains in it. I will do so because the bill, itself, is—for reasons stated—a necessity, and also because, of course, several months will clearly have to pass before the other body gets around to its reconsideration of our decisions.

Mr. HARRINGTON. Mr. Chairman, few subjects before the Congress are as complex, controversial, and yet as important as foreign trade. Today we are considering legislation as significant as any that will come before the 93d Congress.

H.R. 10710, the "Trade Reform Act of 1973" is intended to liberalize our foreign trade by granting the President authority to enter international negotiations to lower tariffs and ease nontariff barriers to trade. The goal, of course, is to lower barriers in all countries and thereby increase our exports, the production of exports, and employment in export industries.

The converse to this goal is that our tendency to import will also increase the imports may, in some instances, substitute foreign for domestic production, thereby decreasing employment in certain sectors. Many working men and women in this country oppose the legislation, because of this potential job loss in import-affected industries.

It seems to me, however, that protection from imports in the form of barriers to trade, is not the answer to the very real problems created when imports are substituted for domestic production. Instead, we must encourage domestic industries to adopt new technology and increase productivity while providing the kind of assistane to industry that will help American businesses successfully adjust to the new and more competitive situations.

This is not to say that we have had any such assistance program to date, or that we are considering one here today in H.R. 10710. But it is to say that in New England, for example, where twice as many jobs depend on exports as could be created by stemming imports, it makes little sense to jeopardize the larger number of jobs to protect the smaller number. This is the crude reality we face, and it leads me to support this legislation.

NEGOTIATING AUTHORITY

New negotiating authority with regard to trade barriers, as contained in this bill, is clearly needed. The author-

ity given President Kennedy in the "Trade Expansion Act of 1962" expired in 1967, leaving the Executive without negotiating authority for the past 6 years. In the more than 10 years since the adoption of the Kennedy round" agreements, the realities of international trade have changed markedly, as the dominance of the United States in trade has been challenged in recent years by the economic resurgence of Western Europe and Japan.

While the Kennedy round had reduced tariffs to the point that today they average about 8 percent for the United States and Western Europe, and 10 percent for Japan, the relatively uncontrolled growth of nontariff barriers has promoted instability and disequilibrium in international trading patterns, and in fact, NTB's are not more of an impediment to trade than are tariffs, and particularly to American trade. They are, in fact, a relatively new tool being used extensively abroad to discriminate against American products. Authority to negotiate the reduction or conversion of NTB's to tariffs is clearly desirable—subject to guarantees of congressional review and consent, as are contained to some extent in H.R. 10710.

Trade negotiations presently in the preliminary stages have faltered, largely because of the understandable reluctance of our trading partners to begin serious discussions when the American President has no authority. I share the view that the Congress should not give the President excessive and unchecked authority. At the same time, it has been generally recognized that a President needs to be able to bargain on a wide range of trade-related issues, and that a grant of some discretion in negotiating authority is critical to the success of the trade talks. While in some areas, the bill now before us gives the President an over-broad grant of authority, the limitations and congressional controls included in the bill constitute at least an acceptable tradeoff between the need for Executive authority and the need to maintain congressional responsibility.

PROTECTIONISM OR FREE TRADE

For 40 years, since adoption of the Trade Agreements Act of 1934, the United States has generally followed a free trade policy; that is, its objectives in trade negotiations have been to lower tariff or nontariff barriers. In recent years this free trade orientation has come under sharp challenge, particularly from those sectors of our economy most directly affected by imports. It is argued that we should return to protectionism—whereby our trade policies would be directed toward the reduction of imports, to the extent of imposing quotas on imports. These proposals have been embodied in the Foreign Trade and Investment Act of 1973, the so-called Burke-Hartke bill.

As I come from an area of the country in which textile and shoe industries, among others, have been seriously hurt by imports, I can understand that these industries need assistance. At the same time, I believe that a protectionist trade policy—which would take our country back to the disastrous days of Smoot-Hawley—would cost us more jobs than it would create. In some extreme cases, protectionist measures, such as orderly marketing agreements or temporary import quotas, are clearly justified. But generally, the way in which we can assist those workers, firms, industries, and communities adversely affected by imports is not by artificial restraints on trade, but by a positive program of adjustment assistance that provides Federal support to improve the economic position of those affected.

The central question in the debate over protectionism is whether, on balance, imports are more of a harm to our Nation's economy than an asset. On the basis of the evidence that I have seen, I am convinced that an expansion of trade, as would result from lowering tariffs and easing nontariff barriers, would be a very positive step for our domestic economy—in terms of both creation of jobs, in the face of an impending recession, and in terms of reducing pressures for continued inflation.

To restrict imports could do great damage. Imports quotas would virtually guarantee retaliation from our trading partners in the form of greater barriers to our exports. Our opportunities for export sales would fall, and export-dependent employment—which is greater than employment threatened by imports—would also fall.

Export trade, on the other hand, has a major impact on domestic employment, and reductions in trade, which would result from protectionist policies, would hurt rather than help domestic employment.

Federal Reserve Board Gov. Andrew Brimmer has estimated that in 1971, about 2.65 million jobs could be attributed to the $40 billion of exports of merchandise in that year, while each $1 billion of exports generated about 66,000 jobs, with an equivalent number of jobs generated in industries supporting American export business. Governor Brimmer estimates that 4 percent of our total private employment—7 percent in manufacturing—is accounted for by exports. In some sectors, particularly high-technology and other "growth" industries—which, I might note, have comparatively high wages—the reliance upon export business is even higher.

In short, the "employment" argument used in favor of protectionism is a two-edged sword. In addition, one cannot overlook other effects of trade on our economy. Price and quality competition provided by imports are obvious. Not so obvious, but equally important, is the fact that import competition has resulted in significant advances in many U.S. industries in terms of investment and technology. The steel industry, for example, did not modernize until forced to do so by foreign competition. The automobile industry did not develop smaller cars until pressured by imports.

Present U.S. trade restrictions already cost U.S. consumers billions of dollars—$2 billion, according to one estimate, as a result of just tariffs on industrial projects. Including nontariff barriers, the total costs to consumers of present trade barriers may total as much as $10 million annually.

It seems to me, considering all these factors, that American policy ought to move in the direction of removing impediments to trade. H.R. 10170 provides the executive with the authority necessary, to accomplish this goal, with appropriate checks by the Congress.

ADJUSTMENT ASSISTANCE

Mr. Chairman, I would also like to address the subject of adjustment assistance. No one can say that the present system has been a success. I may know that better than many Members of this body, because of the large number of shoe, textile, and fish businesses in my congressional district.

A report for the National Association of Manufacturers on trade adjustment assistance indicates the severity of the need for assistance in the area of Massachusetts I represent. The report indicates that at least nine petitions filed by communities in my congressional district with the Tariff Commission for adjustment assistance have been accepted, six of these in one city—Haverhill—alone. Nearly 2,000 workers are in the group injured by import competition. In the past 3 fiscal years, according to information supplied by the Department of Labor, the adjustment assistance programs authorized by existing law have resulted in total expenditures within all of Massachusetts of $2,537,530. Even this seemingly substantial sum does not even approximate the needs of workers, firms, and communities in my State.

In fact, the present adjustment assistance system is woefully inadequate. It offers too little assitsance, too low benefits, and is so difficult to invoke that it is finally an administrative nightmare. Assistance is available, at best, only after years of negotiating with an unresponsive and callous bureaucracy.

Chief cause for the failure of the program rests in the fact that assistance to workers or firms cannot be supplied unless they can prove to the Tariff Commission—which takes months upon months to act—that a previous trade concession has been the cause of increased imports that have caused the injury. In practice, it has been, with rare exception, almost impossible to prove this causal link. On a industrywide basis, the current adjustment assistance law requires that increased imports be shown to be the major cause of an industry's declining economic fortunes. This, too, has been difficult to prove in practice.

As I have often said, the failures of a program today, when the need still exists, are cause for an improved program—not for scrapping it. Unfortunately, the administration's response to the need for improvement in the adjustment assistance program cannot be characterized as productive. The few improvements contained in the administration's proposal, as spelled out in H.R. 6767, were far outweighed by the substantial reductions in the level and duration of benefits to workers and the complete elimination of assistance to firms that were called for in the bill. While the administration bill might have helped somewhat on an in-

dustrywide basis, by easing the process of invoking the so-called escape clause—which allows for the temporary implementation of import quotas, orderly marketing agreements, tariff-rate quotas, or countervailing duties—the net effect for workers and firms would have been negative.

The Ways and Means Committee has to some degree improved upon the President's proposal. For example, the committee bill makes adjustment assistance more easily available through more liberal criteria and simplified through more direct procedures and required decisions. In determining the eligibility of industries for assistance, the committee bill drops the causal link between imports and previous trade concessions and make eligibility dependent on a finding that imports have contributed importantly to an industry's trouble, rather than requiring that imports be the major factor, as is presently the case.

Workers are entitled, under H.R. 10710, to up to 52 weeks of cash allowances. These allowances are to be increased above the administration's proposal to 70 percent of the worker's average weekly wages for the first 26 weeks of entitlement, and 65 percent of wages for the second 26 weeks. By contrast, the administration bill would have dropped benefits to 50 percent—compared to the present 65 percent—or two-thirds of the statewide average wage, whichever is less. While the Ways and Means Committee changes are all for the better, they do not go as far as provisions contained in legislation introduced by my colleague, Congressman CULVER—which I cosponsored—which would raise benefits to 85 percent of average weekly wages.

Even with these and other improvements in adjustment assistance contained within H.R. 10710, it seems to me that in the longer run we should adopt a new approach altogether—one that will work not only to assist those who have problems, but which will help to avert the creation of those problems.

Specifically, we should adopt a broad industry assistance program along the lines proposed by the President's special trade representative, Mr. Eberle. Such a program would assist industry to increase its productivity. It would reward competitive strength and efforts to achieve it, rather than concentrating assistance on poorly managed firms that are on the brink of financial collapse, already suffering from an inability to meet world competition. It would realistically face the market situation, and move to ease the very real human problems of adjustment assistance that a growing and healthy economy must inevitably face.

In the meantime, we should pass, as an interim program, legislation such as that offered by my colleagues, Congressmen CULVER and VANIK, which is now pending before the Ways and Means Committee. It should include an assistance program for communities severely affected by the prospective or actual closing of a major employment source. It should provide low-cost, easily available loans to any firm in a trade-impacted industry for the purpose of revitalizing and strengthening those firms. It should establish better means for forcasting trade-related problems in domestic industries. It should expand upon assistance to workers, emphasizing training, relocation, and fringe benefits, with special help given to older workers. It should provide incentives and assistance for research and development into projects that would create new job opportunities, and reward firms on their merits.

This is the outline of the kind of adjustment assistance program that I believe should be at the core of our trade policy, and which I will continue to support. The bill before us today does not accomplish all these goals, but will nevertheless prove a benefit rather than a detriment as our country heads toward another unnecessary recession. I support H.R. 10710, as part of an effort to create and protect jobs dependent on exports, and to stimulate our entire economy. I urge my colleagues to give their support to this important legislation.

Mr. RARICK. Mr. Chairman, our people are bombarded daily with news of some new shortage. A gasoline shortage, a bread shortage, a newsprint shortage, a grain shortage, a beef shortage, even a bailing wire shortage has been reported. Americans were informed by the Washington Post this morning that they can expect in the near future a toilet paper shortage. Perhaps this final indignity to the the American taxpayer will cause enough of an outrage by the public that the international giveaway and tradeaway specialists will realize that we had better place the best interests of the American people first in all our dealings with foreign powers.

This bill is a far cry from that goal.

It certainly does not put the best interest of the American laboring man first. Rather than secure his employment, the authors of this bill obviously anticipate widespread unemployment if the provisions of this measure are implemented. Title II, "Relief From Injury Caused By Import Competition," goes to great length to detail how workers who lose their jobs to foreigners will be "helped" by the Government. Title II, in effect, is telling the American worker:

> Now that we have exported your job in the name of a "fair world economic system" and you are out of work (injury caused by import competition), the government will generously dole out some money to you (Part I "Trade Readjustment Allowances"), teach you a new skill (Part II, "Training and Related Services"), and then help you get a new job even though it may be far away from your home (Part III, "Job Search and Relocation Services").

What generosity. The very same law which puts the worker out of work, picks him up, dusts him off, and ships him to a new job in a strange part of the country. How much more simple and economical it would have been to have never imposed this unnecessary hardship on our workers in the first place.

Evidentally, the authors of H.R. 10710 foresee numbers of American businessmen being wiped out by the ill affects of this bill. There are provisions included in the bill for our business community, similar to those of labor, when they go bust, because of Government intermeddling with the free enterprise system.

In fact, a more apt title for this legislation would be the tradeoff bill, since it trades off and redistributes U.S. wealth and job opportunities worldwide.

The only advantages of this legislation will be realized by the international cartels, who have the economic power to expand and protect their interests; interests which may not necessarily coincide with those of the American people. This windfall of a "Balance of Payments" monoply will be reaped by a select handful, not the small businessman and not the laborer.

The very phrase "balance of payments" is a misnomer when applied to all nations. How can the United States have a favorable balance of payments with all countries, when many countries have nothing to sell us that our people or industry want or need. Nothing, that is, unless we create an artificial U.S. market for their products, and in the process, destroy our own domestic producers.

There can be no balance of payments in the sales of our agriculture products abroad when we continue to follow the economically disastrous concessional sales under Public Law 480. Under this "stimuli to economic growth," Mr. Chairman, if the host country does pay us for our agricultural goods—at low interest, long term rates—we often agree to leave that money in the host country for use there. This is hardly "balance of payments."

The simple fact is, there can be no true balance of payments unless and until there is an even distribution of wealth and jobs around the world, under some form of one-world government. And this, Mr. Chairman, is what this bill works toward, and it does it exceedingly well.

I insert in the RECORD the related newsclipping, which illustrates my point, following my remarks:

EXPORTS FROM UNITED STATES TO POLAND RISING

> American exports to Poland in the first six months of 1973 reached $197 million; the figure for the same period last year was $45 million.
>
> Since the ouster of Wladyslaw Gomulka from the leadership of the Polish Communist party three years ago, the new leader, Edward Gierek, has reversed a conservative attitude toward modernizing the country's economic base through the use of foreign credits. The Export-Import Bank, a United States agency, began underwriting such loans this year.
>
> Increased trade—Polish exports to the United States have risen at a more modest rate from $64 million in the first half of last year to $84 million this year—is accompanied by a lively flow of official and trade missions. American companies in most business fields regularly include Poland in their exploration for export markets.
>
> Criticism of the United States in official pronouncements or in the controlled press has been muted. Poles know more about the embattled status of President Nixon from the American official and quasi-official broadcasts beamed here by the Voice of America and Radio Free Europe than from their own press and broadcasts.
>
> It is not unusual for Polish officials receiving American visitors to enter a mild defense of the president.

Similarly, Polish news coverage of the recent Middle East War and America's active support of Israel was far more moderate than the zealous and inaccurate reporting of the 1967 war.

American access to Polish officials, highly restricted in the past, has become easy at all levels. The ambassador, Richard T. Davies, became the first American envoy to be received in private audience by a Polish first secretary when he called on Gierek a year ago.

Gierek is known to hope that next year he will be come the first leader of Poland's Communists to make an official visit to the United States. An invitation was extended during Nixon's visit last year, but no date has been set.

These developments are in line with similar trends in the other countries of the Soviet bloc since the United States and the Soviet Union set their foreign policies on a course of relaxation of tensions.

Over the last four years the U.S. government has sponsored more than $29 million in scientific research projects on its behalf by polish scientists.

The research is conducted on commission by a number of American government agencies over a wide range of disciplines. They include many branches of medicine, agriculture, environmental projection, mine safety, astronomy, alcoholism, traffic problems, nuclear physics and chemistry.

The funding is from the large zloty holdings of the United States accumulated as a result of eight major sales of American agricultural products, mainly grain, from 1957 to 1964. The total zloty earnings of the United States amounted to $519 million, of which about $300 million is left.

Mr. WOLFF. Mr. Chairman, as chairman of the House Special Subcommittee on International Narcotics Control, I wish to rise in support of an amendment to the Trade Reform Act which was proposed during committee consideration of the bill. This provision, which I have coauthored with my colleague, CHARLES VANIK of Ohio, a member of the Ways and Means Committee, allows the imposition of strong trade and investment embargoes against any action which fails to take vigorous action to halt illicit narcotics traffic and production within and across its borders.

This clause will encourage nations which have been lax in controlling the production and flow of heroin within their borders to tighten up thir security operations. I urge my colleagues to support this stipulation and unite with me in the effort to fight the narcotics menace.

Mr. DONOHUE. Mr. Chairman, although I am not now and never have been opposed to fair trade agreements legislation, I am strongly impelled to act in rejection of this pending reform bill in its present composition and under current circumstances.

If this proposal were truly a reform measure, in the sense and reality of establishing agreements that would make such trade expansion fair to our own domestic industries and their employees, in equal competition with foreign industry imports, a very different situation and appeal would be presented to those of us who have been advocating and supporting fair trade for a good many years,

However, and most regrettably, a great many recognized authorities agree with a good many of us that this measure does not represent the full promise and projection of an acceptable fair trade bill. For instance, this bill grants new and extremely broad powers to the President to enter negotiations and initiate agreements that would permanently alter the structure of our trade relationships and the domestic economy.

The expanded import programs embedded in this measure will unquestionably accelerate the disastrous decline and expiration of domestic industries, such as the textile, shoe, leather, machine tools, steel, electrical appliances, and a long list of others that are so vital to the sustained economy of my own home region and the entire Nation.

Beyond these alarming potentials let me add that the labor and industry protections that are suggested in this measure have proved substantially inadequate to their intended purpose in the past and there is no new convincing justification for their acceptance now.

Mr. Chairman, I submit that an effective trade reform bill should very clearly evidence the same genuine concern for the wholesome survival and maintenance of our own American industries and their related job opportunities as it does for foreign competitors but, unfortunately, this measure is quite far from any persuasive indication that such would be its welcome result. Those of us who have maintained a steadfast concern for our essential regional and national domestic industries and their employees ask only for a constructive measure that will actually provide fair and reasonable adjustments and considerations to these beleagured American businesses and citizens in order that they may have an equal chance to compete in our domestic markets with excessive foreign imports and I emphasize that an equal chance is all that these good citizens want. It is their just entitlement and the proposal before us simply does not grant them such entitlement.

The record shows that instead of the astronomical number of new jobs that were supposed to be created as a result of the 1962 Trade Expansion Act the reverse occurred and the foreign trade and investment policies of that act projected the loss of some million jobs and job opportunities since 1966.

Mr. Chairman, beyond these factors let us not be unmindful of the presently weak position of the President as viewed by the "hard bargainers" abroad; that many of our foreign competitors have very recently demonstrated, in connection with the Arab oil embargo, an overriding concern for their own economic self-interests ahead of any consideration for the United States; that the same Arab oil embargo should be a persuasive warning against our past American tendency to become dangerously dependent upon foreign sources of supply for key strategic and consumer goods; that the sudden and vastly uncertain projections of the energy shortage generate an entirely new economic complex the overall effect of which should be more thoroughly and carefully explored before any new foreign trade agreements are made; that this bill contains virtually nothing, by way of tax impact or other restrictions, to sensibly regulate U.S. based multinational corporations which export jobs, capital, and technology in return for imports which displace U.S. products; that another adverse obvious effect of the provisions of this bill would be to endanger our current and prospective laws to strengthen product safety, consumer protection, and environmental standards. These and a host of other deficiencies in this measure create much more than a reasonable doubt that this bill can achieve the purpose for which it is sincerely intended.

I would urge therefore, Mr. Chairman, that the measure should be returned to its committee of origin for further revision in accord with the changing national and international economic circumstances that have recently arisen and for the addition of strengthening amendments for the correction of certain protection deficiencies that have been revealed in the past operation of substantially similar legislation.

Indeed, Mr. Chairman, the administration itself has three times promoted postponement of congressional action on this measure and it is most difficult to see why we should be urged to immediate action now.

On this score, let us not scorn the old adage that has been so often proved to be historically right, namely, that action in haste may well make us repent at leisure. But most of all, in this very troubled period of our history and in the face of so much skepticism throughout our country, let us take the time and the thought to persuade our own people that, before all other appeals however good and worthy they may be, this Government is first and primarily concerned with the welfare of each and every American citizen and family.

Mr. MILLER. Mr. Chairman, a tangential issue to this trade reform bill now before the House is coming up later this afternoon when we take up the foreign aid appropriations bill.

Over the past 26 years, foreign aid has cost the American taxpayers $253 billion. This tremendous outflow of dollars that has circulated throughout the world is also one of the major causes of the international monetary crisis and recent U.S. trade deficits.

Just as this trade bill makes a break with previous policy so must the present foreign aid program break with the past. We simply cannot afford to continue to go down the same old road of sending money abroad and getting nothing in return.

If foreign aid can be reformed so that the American people can get something of value for the money and expertise we ship overseas, trade reform would be enhanced and more meaningful.

Right now a fierce global struggle is underway for available natural resources, not just petroleum, but zinc, copper, iron ore, phosphates, and many other critical minerals which form the basis for an industrial economy.

If we do not act soon, the United States will face a mineral crisis as dev-

astating as the current energy crisis in terms of unemployment, product shortages, inflation, and public hardship. The American people are vulnerable to mineral embargoes and price gouging unless we secure assured access to foreign mineral resources.

Last July I proposed an amendment to the foreign aid authorization that would provide for the exchange or barter of U.S. foreign aid for strategic or critical raw material, minerals, and fossil fuels which have been or are being depleted in this country.

I hope my colleagues will read page 7 of the Foreign Assistance Appropriation Committee report regarding the committee's view that such exchanges should be considered and the remarks I shall offer when the bill is debated.

Mr. DRINAN. Mr. Chairman, I rise in support of the Trade Reform Act because, despite my reservations, H.R. 10710 is essentially a free trade bill. Despite broad grants of negotiating authority to the President, these grants are subject to preapproval and postapproval congressional action. The bill permits the President to reduce American tariffs and modify or eliminate nontariff barriers in exchange for the reduction by other countries of their barriers to trade. The significance of the President's power to negotiate reductions through elimination of nontariff barriers lies in the fact that nontariff barriers, more than tariffs, are barriers to trade. Nevertheless, these provisions are properly subject to congressional approval. The Congress retains a veto over the elimination of any specific nontariff barrier, thus limiting the President's independence and preserving for the Congress some degree of control over our foreign economic policy.

The bill before us also improves the trade adjustment assistance program. Access to that program has been eased considerably, and program benefits, particularly for workers, would be improved. The maximum trade readjustment allowance for any week would be increased from 65 percent to 100 percent of the average weekly wage in manufacturing, which translates to a raise in the maximum payment from an estimated $111 to $170 per week in 1974.

In addition, employment counseling, testing, placement, and other supportive services would be available to affected workers. This will hopefully represent a substantial improvement in the trade adjustment assistance program, which under present law has not been successful.

In title V of this bill, the United States is given the authority to make good on its longstanding international commitment to permit less-developed countries to increase their exports to the U.S. market. The European Economic Community and Japan have already extended some form of preferential treatment to these manufactured products, leaving the United States as the only major western industrial nation which thus far has not yet fulfilled its commitment to extending duty-free treatment to a limited number of products from less-developed countries for a limited time and with adequate safeguards against injury to American industries and workers.

Finally, the passage earlier today of the Vanik amendment to title IV, ties freedom of immigrantion to the grant to nonmarket countries—such as the Soviet Union—of most-favored-nation treatment.

My colleague and distinguished economist Mr. REUSS stated succinctly one of my principal disappointments with this legislation:

> It is regrettable that the trade bill includes no provision to change the tax treatment of multinational corporations. American subsidiaires should pay similar taxes on the profits from their overseas operations as their parents do here on earnings from domestic operations.

Mr. Chairman, our Government needs the authority to praticipate in the new multilateral trade negotiations under GATT, the general agreement on tariffs and trade. Notwithstnding my reservations in the legislation before us, I believe that open and vigorous trade is essential to maintaining friendly relations with the rest of the world. The present round of GATT negotiations is scheduled for completion by the end of 1975. This bill will enable the U.S. delegate to those negotiations to negotiate with adequate power.

I believe that our economy will be helped by this hopeful step forward toward open and nondiscriminatory trade. I am satisfied that the authority granted to the executive branch is this bill is heavily safeguarded and that the objectives of expanded world markets for U.S. products and the creation of additional jobs for American workers will be achieved.

The CHAIRMAN. All time has expired. Under the rule the bill is considered as having been read for amendment. No amendments are in order except amendments offered by the direction of the Committee on Ways and Means, an amendment offered to section 402 of the bill containing the text printed on pages H9106 and H9107 of the CONGRESSIONAL RECORD of October 16, 1973, an amendment proposing to strike out title IV of said bill, and an amendment proposing to strike out title V of said bill but said amendments shall not be subject to amendment.

Are there any committee amendments?

Mr. ULLMAN. Mr. Chairman, there are no committee amendments at this time.

AMENDMENT OFFERED BY MR. VANIK

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

The CHAIRMAN. The Chair would inquire of the gentleman from Ohio if this is the amendment which is made in order under the rule?

Mr. VANIK. Mr. Chairman, the amendment is made in order under the rule.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

> Amendment offered by Mr. VANIK: Page 129, line 25, after "treatment)," insert the following: "such country shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly,".
>
> Page 130, line 20, strike out "and (B)" and insert the following: ", (B) such country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (C)".
>
> Page 131, line 6, after "received", insert the following: ", such credits or guarantees extended,".

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

Mr. VANIK. Mr. Chairman, in recognition of the limitation of time under the rule, when the Committee rises I will ask in the House that all Members have 5 legislative days in which to revise and extend their remarks at this point in the RECORD.

Mr. Chairman, the amendment being offered would restore the original language of the freedom of emigration amendment cosponsored by 289 Members of this House.

The committee accepted the part of the original amendment denying most-favored national tariff status to nonmarket economy countries denying freedom of emigration.

On a procedural vote of 12 to 12, the committee deleted the provision denying loans, credits, and guarantees to these nations.

This is a crippling omission. The last 2 years of trade with the Soviet Union have been carried on without most-favored-nation status but with credits. Soviet trade is substantially in nontariff items. Most favored nation is largely status. Credits are the real economic force.

If our concern about human rights and the type of nations we trade with is real, then we must adopt the credit amendment now before the House. This amendment will show our potential new trading partners that we will require some basic consideration of human rights—that some system of regular and equitable emigration policy is expected—a nondiscriminatory, humane system free from terror and impossible conditions—a system that reflects respect for the United Nations Declaration of Human Rights.

This amendment is not an interference in the internal affairs of other nations. Since when does a condition on granting credits supported by the taxpayers of the United States constitute an interference with another nation's internal affairs? We have no duty or obligation to extend lower tariff rates or billions of dollars in loans—these are not the rights of foreign nations. They are gifts that can be offered by the American people under conditions set by the American people. The granting of these privileges are an internal affair of our Nation. It will be more difficult and dangerous to withdraw these privileges once given. Therefore, they must be given with the utmost care.

The passage of this amendment does not violate the properly given constitutional pledge of any American official to a foreign country. Power over taxes and tariffs and power over the purse are congressional powers. They should not be casually promised away without fully consulting the Congress.

It is argued that we have human rights problems of our own. I offer this amend-

ment in the full humility that we are not perfect—and with the conviction that if we abandon this cause, we would be less worthy. This amendment is in the American tradition. It is similar to the 1911 abrogation of our commercial treaty with czarist Russia over that regimes massacres of its Jewish citizens.

It is said that quiet diplomacy will make this amendment unnecessary. That is the same thing the State Department said all during the 1930's about the plight of German minorities. The discussion of this amendment may already have been of help in the education tax issue. In spite of all the dangers involved for them, the people relying on this amendment have begged us not to give up this issue. Today's newspapers report a letter from 188 persons from 10 Soviet cities to the United Nations protesting restrictions against Jews in the Soviet Union. Today's newspapers also tell us that courageous Andrei Sakharov and his wife were both admitted to a hospital. In traditional Soviet methods of reporting, the reason was not given.

This amendment does not block trade needed by America. There is no security for the United States in the oil and gas fields of Siberia. Credits are unnecessary to a country with $20 billion in gold and which continues to make a disproportionate commitment of gross national product to its military. Even the just-retired head of the Export-Import Bank admits that it is foolish to make loans to a country which denies normal business data. Why are we in such a hurry to buy détente, even when we have reports that Soviet leaders say détente is a 15-year strategy to gain economic superiority? How can we justify an energy development in the Soviet Union financed by U.S. taxpayer funds in view of the events of last month when the Soviet Union canceled its commitment—to five Western European countries?

The amendment does not block trade with the East. It is a major step toward defining trading conditions to our mutual benefit. As the committee report indicates, expanded trade with certain Eastern European countries should soon be possible.

The passage of this amendment will be a reminder to the world that America is still the hope of free men everywhere.

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

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

Mr. ULLMAN. Mr. Chairman, let me make my position clear. This amendment came up in committee. The committee rejected this amendment on the ground of jurisdiction and not on the ground of substance. The committee, when it went before the Committee on Rules, was neutral, and my objection to the amendment lies primarily in the fact that the jurisdiction here lies with the Committee on Banking and Currency.

This is a very complex matter that should have had extended public hearings. We are moving here out of the proper jurisdiction, and without the proper background for study. That is the basis for my opposition to the amendment.

Mr. BELL. Mr. Chairman, I rise in support of the amendment offered by my colleague (Mr. VANIK) to add credit restrictions to title 4 of the Trade Reform Act.

I have always supported the principle of allowing people the right to choose where they wish to live.

We know that this is not the case in all parts of the world today.

I cannot condone the idea of the United States granting trade credits and guarantees to those nations which deny free emigration.

We cannot look the other way and ignore the plight of fellow human beings who do not have the right to determine where they can live.

Administration and congressional support for granting trade concessions to Russia increased with the announcement of the termination of special levies directed against those seeking to emigrate from the Soviet Union.

It was believed by many that this resolved the problems relating to emigration in Russia, but this is not true.

The Soviet Government has simply changed tactics.

Special harrassment and new exit tax policies are now being applied to Jewish families with children who are attempting to leave Russia.

This has resulted in 3-week-old babies being listed as traveling alone and, thus, subject to levies.

This convinces me that there has been no permanent relaxation of Soviet hostility to Jews, particularly emigrating Jews; and that trade concessions which we extend to Russia because of a presumption of changed policies in this area are not deserved.

It is also believed that denying extension of credits to Soviet exports is not a proper or even an effective way of dealing with the problem of Soviet jewry.

Mr. Chairman, I submit that it is entirely proper, extremely effective, and absolutely necessary.

For example, this Congress, under the leadership of President Washington, instituted a limitation on commerce on March 26, 1794, designed to cause Great Britain to rescind its notorious orders in council.

President Jefferson terminated all American foreign trade in 1807 for much the same reason.

More recently and more in point, in October 1960, the United States imposed an almost total embargo on trade with Cuba in an attempt to influence Cuba's very form of government.

And in July 1967, the United States joined in a United Nations embargo against Southern Rhodesia for the express purpose of altering that government's policy toward its black residents.

Thus, there is adequate precedent for the step that I am urging you to take.

Perhaps the essential distinction between the historical examples I have cited and the freedom of emigration measure is that the previous actions involved the withholding of previously ongoing trade relations; today we do not propose to interfere in any way with ongoing relations, but merely to condition a new concession, on our part with a consession by the other side.

I would also like to emphasize that the plight of Jews within the Soviet Union simply cannot be classified as an internal problem of that nation.

To my mind the history of the Jewish people, and especially the 20th century record, is such that no human being, no matter what his country or religious belief, can justify closing his eyes and mind to their plight.

In that sense the problem of Soviet Jewry is truly an international one.

Of course I favor the relaxation in tension between the Soviet Union and the United States, and of course I fully support the expansion of economic relation between the two central powers in the world.

But there is no need whatsoever for the United States to relent at this time and our insistence on freedom of emigration is consistent in the record of history. Correct in the annuals of international law, and essential to the moral standing of our Nation.

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

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

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Chairman, like most of the Members of this Chamber, I have supported Israel in the past and will, doubtless, support her in the future. Like most Members of this Chamber, I am profoundly skeptical about Russia. Like everyone in this Chamber, I deplore the denial of human rights and free emigration which has characterized the Russian regime from time to time. Any Communist country which does not have walls and barbed wire at its borders is likely to be diminished thereby, particularly with respect to its intelligentsia.

The emigration tax is part of that wall and that barbed wire, and there are, of course, many other devices available to an authoritarian regime to prevent emigration. This measure looks only to the emigration tax as a condition of trade negotiations.

Peace in the world depends on two things: American strength, and the encouragement of a climate in which progress can occur. Americans are sick of confrentations, and there is plenty of evidence that the Russians are sick of it, also, when the risks are so high.

The Vanik amendment is another confrontation, this one a legislative confrontation. It is the imposing of an absolute condition before normal trade can be even explored. Its rigidities conformed the first step toward commercial détente.

There has been progress in emigration from Russia and this will jeopardize it. For the last 2 years 30,000 Russian Jews a year have been permitted to leave with a waiving of the emigration tax. In October, during the Middle East war, 4,500 were processed for emigration documentation. The probability is that if we find some other device, instead of using elimination of the emigration tax

as a condition precedent to trade, to keep continuing pressure on the Russians, we will be serving the cause of Soviet Jewry better than we are by drawing this line and encouraging confrontation on this issue.

That the effects of the Jackson-Vanik amendment are mischievous is evidenced by the delay the administration has requested up to this point. The President and Dr. Kissinger fear its mischievous effects. If anybody is interested in having a trade bill, it is the administration and President Nixon, and yet they have consistently put it off solely out of concern for the repercussions if the amendment is adopted.

Trade is neutral. It does not get involved with ideology. It will not happen unless there is mutual advantage. It will give the Russians a vested interest in peace and a greater concern for what we think of them. It will provide a form of contact more constructive than the military and political confrontations of the past.

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

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

Mr. SCHNEEBELI. Mr. Chairman, I believe the gentleman will agree with me that neither the State of Israel nor any of its representatives in the United States ever asked us to support this restriction of credit sales to the U.S.S.R.

Mr. CONABLE. Not as far as I know. I think there is a serious question about this as a tactic and although many people seem to believe it will be the most effective, I really question whether it will.

Mr. SCHNEEBELI. Because the State of Israel itself extends most-favored nation treatment to the U.S.S.R.

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

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

Mr. OBEY. I want to express briefly to the gentleman in the well that it may very well we should not grant the Russians credit, but to tie it entirely to this question, to the Soviet-Jewish question in my judgment will result in having the Soviet Jews used as scapegoats by the Kremlin. I know it is designed to help the Jews but I believe it will hurt them. I respect the purpose of the gentleman from Ohio in offering this but I believe it will have the opposite effect.

Mr. CONABLE. Mr. Chairman, I urge opposition to the amendment, sharing the concern of the gentleman from Wisconsin.

Mr. DELLUMS. Mr. Chairman, I rise in support of the Vanik amendment. This amendment strengthens our commitment to human rights and our sense of responsibility in human affairs. In my opinion, the principle on which the amendment is based should be extended to our entire foreign policy.

Some say that this constitutes interference in the internal affairs of other countries. But it not interference to choose our trading partners, to maintain some standards about whom we do business with. The Soviet Union has shocked the entire civilized world with its relapse to the crude czarist repression of the Jews—one of the barbarities their revolution in 1917 was supposed to end once and for all. To destroy a community at its heart, its religious self-expression, and to prohibit the reconstitution of that community where it will no longer be a source of irritation to the Soviet Government and its desire for control—this strikes me not just as Realpolitik, however repulsive, but as gratuitous cruelty.

I call upon my colleagues to reject a false idea of détente that would have us close our eyes to the consequences of our acts. The Soviet Government can attain further economic growth in two ways: By liberalizing its internal policies or by relying on the United States and the other advanced countries to bail it out. I see no reason to hinder trade, but I also see no reason to help the Soviet Government maintain its grip without concessions to its own citizens. This amendment would allow trade only when a minimum standard of human rights is met. Surely, we can do no less.

Mr. BAUMAN. Mr. Chairman, one portion of the Trade Reform Act of 1973 (H.R. 10710) now before the House has taken on unusual importance, as we all know. The way we vote on title IV will signal to the world the degree to which America still values the cause of human freedom. I would like to address my remarks to this section.

It is axiomatic that we rarely truly appreciate something of value until we are without it. As a corollary, it can be said that we tend too easily to take our material wealth, and our liberty, for granted.

As a result, many Members will argue here today for a policy of granting generous trade advantages to the Soviet Union, giving little thought to the plight of the millions who must continue to live under the heavy yoke of totalitarian Communist rule.

I have no doubt that those who hold this view sincerely believe that such a move would be in the best long-range interests of world peace. But I also have no doubt that they are wrong.

One argument advanced against the amendment offered by the gentleman from Ohio (Mr. VANIK) to the Trade Reform Act is that it will have no effect on Soviet emigration policy, and that even if it did, we have no business meddling with the "internal" affairs of another nation. This amoral judgment, made without concern for the plight of those who are imprisoned for their beliefs, or those who are sent to "mental institutions" or forced labor camps, because they dare to differ publicly with Soviet policy, saddens me more than it angers me.

The economic advantages of new trading arrangements, as I shall explain shortly, are minimal for the United States. We even run the risk of getting burned. But to hand over extraordinary trade benefits to a Communist regime which differs from the Stalin era in style only is to me unconscionable. We have the capacity to strike a blow for human freedom. The Soviets need trade with the United States badly if they are ever to drag their economy out of the stagnation to which communism has relegated it for more than 50 years. If they want it badly enough, they will offer something in return. They have little in the way of industrial products to offer, and the volume of raw materials we can expect to import from them will be small in contrast to the vast amount of technology, manufacturing equipment, and capital which they want in return. But one return which we can ask will cost them no money at all. It is freedom for Soviet Jews, intellectuals, and many others who long to leave that Communist state.

Those who see this measure solely in economic terms only ignore two centuries of American dedication to the cause of human freedom. We must not now walk away from those who plead for our help. Those who argue that the chances for success are small ignore the fact that a chance exists. I, for one, believe that the Vanik amendment ought to be adopted in toto, with a prohibition of both most-favored-nation treatment and credits and credit guarantees, unless Soviet emigration policy is changed.

Some argue that such an amendment would imperil the era of détente which has been carefully pieced together by the President and Secretary Kissinger. Anything which would slow the shaky movement toward détente, the argument goes, must be avoided at all costs.

Some take a slightly more sophisticated approach, arguing that an era of peace must be built on a carefully constructed interdependence between the United States and the Soviet Union. They contend that the development of strong mutual vested interests in continued trade will prevent future hostility, and provide incentive for accommodation.

I fear that their argument is built on falacious reasoning and ignores history. It is based on an assumption that the trade will be substantial and long term, and that it will supersede in importance all other considerations for the foreseeable future. It should be obvious to all that the Soviets are not interested in buying much in the way of consumer goods from the United States. They want the highly developed technology which, in many areas, only the United States can supply. Sophisticated computers, highly technical manufacturing processes, and American investment capital are what they are seeking. It does not take a genius to figure out that once the Soviet Union has obtained the technology which its industrial sector cannot provide, their use for the United States will diminish rapidly. Once their factories are built, once their oil and natural gas supplies are located and drilling and transportation equipment are installed, once their science and industrial sectors have copied and put into production highly sophisticated American equipment, what will keep them from expropriating American-owned industries, or ignoring further trade obligations and defaulting on their debts?

Just as importantly, once we have become dependent on certain supplies of Russian raw materials, such as chrome, oil, or natural gas, what is there to pre-

vent the Soviets from cutting off shipment of those supplies in order to punctuate some new demand in the realm of foreign policy? And make no mistake, raw materials are about the only product from the Soviet Union that we can use.

Thus, the "interdependence" which forms the cornerstone of this new policy toward the Soviet Union is questionable at best. We get the worst of the deal in several ways. The Soviets need what we have to offer far worse than we need any Soviet products. In order to give them the technology and investment capital that they need so badly, it is somehow felt that we must give them the most advantageous terms possible. Thus, we will wind up giving them long-term credits at low interest rates which are unavailable to some of our best clients. These credits will either be provided by the American taxpayer, or underwritten by him, and the interest rates being given to our new friends in the Soviet Union will be lower than those available to you and I. Meanwhile, with Americans supplying the investment capital needed to develop their natural resources and build their industrial economy, they will be free to spend the money thus freed on other things, and few can doubt that it will be spent on military hardware. And in return for all of this, we will be getting some raw materials that we could bet elsewhere without the attendant costs and risks involved.

I simply cannot understand what the Soviet Union has done to earn such favorable treatment from the United States. vorable treatment from the United States. Was is supplying North Vietnamese troops with the weapons necessary to kill more than 50,000 American soldiers and pilots in Vietnam? Was it supplying Egypt and other Arab countries with the war materiel necessary to start yet another war with Israel? Was it the jailing and repression of thousands of Soviet dissidents? Was it the construction of a massive military force now superior in many respects to our own—while they talked publicly of détente and peace? Does all this indicate a willingness to enter a new era of accommodation and friendly relations with the capitalist West?

Mr. Chairman, I am not about to suggest that we ought to prevent every American business and agricultural firm from doing business with the Soviet Union. But I do intend to maintain that we should have no part of a scheme which grants so much in the way of cheap credit and special treatment to a regime which puts its dissidents in mental hospital, and which either forbids emigration or allows it only on the most limited scale. The basic human rights which we so easily take for granted are unknown in the Soviet Union, and while we cannot simply march over there and demand that these rights be recognized, we do not need to reward such a policy with needless generosity on our part.

If U.S. business wish to trade with the Soviet Union, fine. Let them demand cash or pay higher interest rates which are not guaranteed by the taxpayer. Let the Soviets divert a little of the enormous amount of money they are spending on military hardware into resource development or industrial production.

On the other hand, if the Soviet finally relents and grants at least the right to emigrate, if we can at least get this concession in behalf of humanity from that totalitarian regime, then perhaps we can consider another policy. It may be, as some argue, that our action will never change Soviet policy. That may be true. But we will never know unless we try. The rewards to us will be slim, except for the satisfaction of knowing that we may have helped to free some of those who will otherwise be condemned to a lifetime in the prison that is Soviet society. That is reward enough to me.

Mr. FINDLEY. Mr. Chairman, I will vote against the Vanik amendment. I believe the House accepted this amendment without full realization of its implications for our overall foreign policy and for its potential effect on a Middle East settlement.

Although the intent of the amendment is laudable, it will not work. We cannot legislate for the Soviet countries. On this matter, persuasion and cooperation are far more effective than a blunt instrument.

Because we have accepted this amendment without full realization of what its effects may be, I intend to vote against title IV and I urge my colleagues to do likewise. Rather than rush ahead on a course which may prove disadvantageous to us for many years to come, it would be far better to wait and reconsider early next year the issues raised by the title after we have had a chance to study this matter in depth and have seen what progress has been made in the Middle East talks.

Much has been said about the Russian grain sales.

Wheat was only one part of the Russian grain sales; 9.5 million metric tons were sold, having a value of $567 million. About a quarter of the wheat sold in 1972–73 remained to be shipped at the end of the fiscal year. The Soviet Union has informed the United States that it does not intend to make further purchases until late in fiscal 1974. Only 30 percent of our total wheat exports in fiscal 1973 went to the Soviet Union.

Corn for feed was the other major element in the Russian grain deal. These sales totaled 3.7 million metric tons in quantity, having a value of $210 million. The corn sales were not subsidized, although they were eligible for CCC credit, along with the wheat and a small amount of rye.

The credit arrangements for the grains sale to the Soviet Union did not impose an unusual or exceptional cost for American taxpayers. The Commodity Credit Corporation will extend up to $750 million in credits for Soviet purchases of grain during the 3-year period ending July 31, 1975. During fiscal year 1973 the USSR used $460 million worth of credits for wheat and corn. In fiscal year 1974 they are expected to use about $160 million.

The terms and interest rates made available to the Soviet Union are the same as those offered to other countries which import U.S. farm commodities under CCC credit financing. Between July 8, 1972, and May 16, 1973, an interest rate of 6⅛ percent was applied to all financing approvals issued for grain exports to the Soviet Union. However, in keeping with the rising trend in interest rates since May 1973, CCC credit rates have been increased and financing approvals issued currently for Soviet grain purchases carry a rate of 9½ percent. As of October 8, the Soviets had used $529.7 million worth of credit and repaid $31.4 million. They are completely current in their repayments schedule.

The export reporting system instituted in June is a significant improvement in keeping the public informed as to the extent of supplies and commitments for overseas shipments. It will enable the United States to monitor effectively any future large purchases by foreign governments and trading firms in American commodities markets.

In fiscal 1973, U.S. farm exports delivered almost $13 billion to the plus side of the international account, enough to pay for our fuel imports twice over. The sales of U.S. grains to the Soviet Union were a major factor in this export year, but by no means the only one. Exports to the U.S.S.R. accounted for less than one-fifth of the total U.S. gain in agricultural exports this past year, and we should, therefore, be careful not to overestimate the economic impact of that particular series of sales. The Russian purchases were a part of a total growth of world demand coinciding with a series of crop reverses in literally dozens of countries—none of which could have been accurately foretold.

Advantages of the Soviet transactions for U.S. farmers and taxpayers include the following:

First. The added export market increased the value of farmers' 1972 crops by more than $1 billion. This has made an important contribution to the righting of the U.S. balance of payments at a time when our need for increased foreign exchange earnings to pay for imported fuel is becoming more and more evident. It also enabled farmers to obtain more of their income from the marketplace, contributing to the $1 billion drop in Treasury payments to farmers in 1973 as compared to the previous year.

Second. The sales created 30,000 to 50,000 new jobs for Americans and stimulated approximately $1.5 billion of additional rail transportation, shipping, and other economic activity in this country. For the railroad industry alone, increased grain traffic as a result of the Soviet's purchases resulted in orders for 17,000 additional covered hopper cars, some with capacities up to 198 tons. This expanding business has been an important contributing factor to revitalizing segments of our rail industry, and will insure our ability to continue to handle increased grain movements. The Russian grain sales had important stimulating effects for port cities such as Houston, New Orleans, and Norfolk as well.

Agriculture remains the largest industry in this Nation today. It is related to employment for around 16.5 million people, or one-fifth of the U.S. labor

force. Agricultural exports have become increasingly important and have greatly stimulated growth of our agricultural economy and the U.S. economy as a whole. In 1973, we exported the product of 80 million acres, or about 30 percent of our cropland.

Continued growth of the agricultural sector and of exports of agricultural products is essential to the health of our economy. We can insure this growth continues if we are able to exploit all available markets. The Communist countries constitute a market for agricultural products of about 1.2 billion people. We cannot afford to ignore a market this large, particularly when our advantages in agricultural production are so great.

Since 1950, productivity in U.S. agriculture has increased 3½ times, about twice the increase in the nonfarm sector. Meanwhile, growth of agricultural productivity in Communist countries has lagged far behind ours and in several countries has not matched productivity growth in their own industrial sector. Gross production in some countries is increasing faster than ours, but only because their rate of investment is higher. In the Soviet Union, for example, the rate of investment in agriculture is four times higher than the U.S. rate; that is, an average rate of $34 billion against $8.87 billion annually.

Our economy is an open one and we must trade in order to purchase the foods, fuels, and equipment we cannot produce efficiently ourselves. In fiscal year 1973 while the trade deficit for nonagricultural products was $3.5 billion, agriculture piled up to $5.6 billion surplus. Our agricultural trade surplus with the Communist countries of $1.3 billion accounted for 23.4 percent of the overall agricultural trade surplus. One-time large grain sales to the Soviet Union accounted for a substantial part of the fiscal year 1973 surplus, but a large and expanding market for our agricultural products, particularly feedgrains, in the U.S.S.R. and other Communist countries remains if we take the steps necessary to secure permanent entry into that market. Although we can do without agricultural trade with Communist countries if we must, we will pay an unnecessary cost by limiting the market opportunities for our domestic agriculture without good justification.

If the Communist countries are to continue to import from us, they must be able to sell their products here in free and nondiscriminatory competition with other foreign countries. Inclusion of provisions in title IV which potentially will deny these countries MFN treatment will hamstring their efforts to export to the United States. A further disincentive in the form of the crippling Vanik amendment is very likely to convince them that we are not serious about improving our overall relations and raising the level of economic cooperation and could well cause them to turn to other sources of supply or to do without.

A major purpose of CCC credits is to make our commodities competitive. Because of the present tight supply situation, CCC credits are being authorized only in a few exceptional cases, primarily for humanitarian reasons. The Communist countries understand this and are not seeking credits on a basis other than of equality with other areas such as Japan and Western Europe. If credits were authorized, we would be giving them nothing for the present except notice of our good will. If we discriminate against them as provided in the Vanik amendment, it will be a slap in the face which will discourage or eliminate commercial purchases and lose us this large market for years to come and will cast a pall over our whole effort to improve relations with these countries.

The Communist countries have the capacity to operate as nearly self-sufficient autarchies and they can obtain the few essential items that they need from other sources. If continuation of denial of equal treatment causes them to make the hard decision to do without the adjustments they will have to make in their economies will bear heavily on their ordinary consumers. In particular, it will necessitate reversal of current efforts to increase the amount of animal protein in diets of ordinary people. Adoption of this amendment, then, makes life more difficult, not less, for the average citizen in Russia.

There are some potential disadvantages in trading with Communist countries. Some people are concerned that after we have built up our agricultural exports, they will suddenly withdraw from the market and leave us holding the bag. However, experience has shown that once trade is opened, it tends to stay open. More important is the fact that these countries have made a conscious shift in priorities toward provision of more animal protein and consumer goods. For example, in 1971–75, while published Soviet figures on defense expenditures are running at about 18 billion rubles and declining as a percent of GNP, an average annual investment in agriculture of 24 billion rubles is planned.

For the next several years, they are dependent on us to accomplish their goal in increasing meat, milk, and egg supplies primarily by imports of U.S. feedgrains and oilseeds—the agricultural commodities in which we have the greatest advantage and for which we are the only major supplier. We should not lose sight of the fact that the Communist countries are planned economies. There is no indication that they will be in and out of the market. Rather, they are seeking long-term supply commitments from us so that they can proceed with planning of essential domestic programs. Even in the unlikely event that one or more of these countries did withdraw from our export market, all would not do so at once.

I have no quarrel with the intent of the Vanik amendment. I deplore the restrictive immigration policies of some of the Communist countries. However, it is my belief that it will not work. Over the years, embargoes and other restrictive trade measures have been singularly ineffective. I see no reason to believe we can affect the internal policies of other countries by U.S. law—what would be our reaction to a Soviet law designed to promote or deny busing of schoolchildren in the United States or, say, a completely open immigration policy.

In view of the détente that has been developed over the past couple of years, it is increasingly clear that there is opportunity to work out our areas of disagreement with the Communist countries. Persuasion, cooperation, and a deepening of détente shows much more promise than a belligerent and discriminatory domestic political action. The latter can do no good and much harm.

We seem to be proceeding in an orderly way toward settlement of the Middle East issue. I see no reason to jeopardize these efforts for a purpose which will be meaningless if the negotiations are successful. I consider it unlikely that the Soviets would not reverse their emigration policy, once pressure from the Arab nations is removed.

I am, however, very pleased that the language of title IV will not keep the President from extending most-favored-nation status to Romania. The committee report and the position taken by the author of the language, Mr. VANIK, makes clear the intention of the Congress to permit MFN to Romania.

In my view, Romania richly deserves this consideration.

Mr. HAMILTON. Mr. Chairman, I rise in support of the administration's request in the trade bill for the most-favored-nation status for the Soviet Union and I also rise in opposition to amendments to the trade bill that would deny the Soviet Union MFN status, credits, and guarantees unless there were changes in its treatment of its citizens and removal of restrictions on the free emigration of its citizens. And I support the administration's belated request for deletion of title IV if it contains constricting language.

Title IV of the trade bill, incorporating the administration's request, was not designed to reward the Soviet Union or to express any acceptance or approval of its domestic policies. Rather, this request was the result of the slow and checkered negotiations between the United States and the Soviet Union seeking to build détente. It must be seen as a natural and small step in the process of allowing normal economic relations to develop between our countries and to complement our ongoing political negotiations to reduce tensions between East and West. At no time during our long and complicated negotiations with the Soviet Union were basic internal changes in Soviet society made a precondition for further development of our bilateral relations.

SOVIET EMIGRATION TO ISRAEL

The primary motivation for these amendments to the trade bill seeking modifications in Soviet internal policies for the granting of certain economic benefits has been the uneven and, at times, unpredictable policies regarding the emigration of Soviet Jewish citizens who want to go to Israel.

After years of allowing only a couple of hundred of its Jewish citizens to emigrate each year, the Soviet Union began in late 1971 to liberalize its emigration policies. Americans welcomed this change

in policy which has allowed over 50,000 Soviet Jews to leave for Israel.

This progress, however, makes no less objectionable and reprehensible, several features of the Soviet Government's policies toward its Jewish minority of close to 2.64 million citizens. Among the objectionable features, three should be noted:

First, there are many Jews in jail for ostensibly political reasons who have not been allowed to leave and whose only crime appears to be a desire to emigrate.

Second, despite Soviet claims that in 1972 95 percent of the Jews who applied to leave were able to do so, there are perhaps more than 100,000 Jews waiting and praying daily for exit visas that only seem to be forthcoming on a slow, erratic timetable, subject to the whims of particular—and often petty—Soviet authorities throughout the state bureaucracy.

Third, Soviet policies toward the emigration of its citizens have, in the recent past, involved outrageous fees that some Jews must pay to leave the Soviet Union, in particular the education tax. Each Soviet citizen emigrating has had to pay exit fees of about $1,000 for the privilege of renouncing citizenship and for an exit visa. In August 1972, an additional education tax was put into effect and in December 1972, the tax was refined with a scale for amortizing the education tax liability of prospective emigrants. This fee alone can be well over 10,000 rubles—$13,200 at official rate of exchange of $1.32=1 ruble. In some cases it can be waived. According to Israeli sources, nearly 20 percent of the Soviet Jewish emigrants after August 1972, had to pay some sort of an education tax, and the tax has been waived in about 400 cases.

The education tax became the focus of considerable administration and congressional attention but recently it has fallen into disuse. While the tax has not been rescinded, it is not being collected and Secretary Kissinger assures us that we have assurances it will not be reapplied. No American should—and certainly few of us ever would—support any principle other than the right of any citizen in any country to be allowed to emigrate without taxation or other reprisal.

BASIC QUESTION

The basic question which remains is how can America encourage more liberalization in Soviet emigration policies and how can concerned Americans best persuade the Soviet Union that we believe it is in the best interest of future Soviet-American relations and détente that irritants in Soviet emigration policy be removed.

LINKING UNITED STATES-U.S.S.R. TRADE TO CHANGES IN SOVIET DOMESTIC POLICY

Efforts to tie the further development of economic relations with the Soviet Union to changes in Soviet internal policies present, on different levels, a genuine moral dilemma and a practical negotiating problem. But in neither case is the intense debate between those who are morally sensitive and those who are morally insensitive or between those who seek accommodation at any price and those who demand our Government to exact as many concessions as possible from the Soviet Union for normal business relations.

Americans certainly should never condone the suppression of civil liberties. For more than a half century, we have objected strenuously to the way the Soviet Union treats its people and we should continue to do so today. But hard questions persist:

Should we demand that basic changes in Soviet society be a precondition to good relations in the future?

Should we let the future course of our bilateral relations and détente itself hinge so much on immediate changes in the Soviet Union?

Should we abandon our long cherished hopes for a basic and gradual evolution in Soviet society toward greater pluralism and just recognition of the fundamental human rights of all its peoples for what is, from the Soviet perspective, revolutionary and thus unacceptable changes now?

REASONS FOR OPPOSING AMENDMENTS

Mr. Chairman, I oppose amendments to title IV of the trade bill for two basic reasons:

First, the amendments will make more difficult the improvement of Soviet-American relations.

United States policy toward the Soviet Union over a period of many years and during the administrations of all recent Presidents has been characterized by efforts to keep our guard up, but also to expand areas of accommodation in order to reduce tension and promote cooperation. This policy has brought considerable success. It was not achieved by linking one issue to another, but by striving to achieve, wherever possible, a stable and predictable relationship, and by chipping away at Soviet rigidity by emphasizing contacts where feasible.

Recent Soviet flexibility in some areas of mutual interest was the product mainly of private persuasion and quiet diplomacy which suggests that public efforts to force changes in policy will not succeed and could jeopardize the climate of existing détente. The cold war atmosphere of yesterday is slowly changing, in part because we are reducing the threats, angry statements, irresponsible actions and ultimatums and are talking about our differences quietly and through the normal and traditional diplomatic channels. The recent Middle East crisis is a case in point. Détente provided a basis for reducing tensions at a time when irresponsible acts could have threatened world peace.

Our policy toward the Soviet Union requires that we make progress where we can. It does not mean we approve or accept many Soviet policies, either at home or abroad. Our policy merely reflects the mixture of cooperation and conflict that marks American-Soviet relations and our belief that over a period of time, as successful contacts and mutual interests are made and expanded, constituencies for cooperation will be developed in each nation so that neither nation will allow other conflicts to disrupt the cooperation.

The whole course of Soviet-United States relations in the last several years supports the view that private, but firm, diplomacy brings results. It is precisely because the Soviet Union desires better trade relations that we have some leverage in our dealings. We should use that leverage to achieve concessions from the Soviet Union, including changes in its emigration policies, but we should not mortgage our leverage of trade on this single issue of Soviet Jewish emigration. With the possibility of extending credits and MFN status, the United States would have more leverage with the Soviet Union than we would have over most other societies. Centrally planned economies are always planning 5 years in the future, and once we have economic ties and interrelationships with the Soviet Union, it is booked for a medium-term period, because of the inflexibility of its economic machinery. Such leverage should be employed carefully.

United States officials on all levels should continue to remind their Soviet counterparts that Americans abhor capricious, internal Soviet policies, like the education tax, and that their continuation will handicap future political and economic relations. But we should not forfeit the considerable advantage that will accrue to the United States from expanded trade because the education tax is repugnant to us. As we develop our relations with the Soviet Union our opportunities to persuade the Soviets that certain of their policies are unacceptable will be enhanced.

Second, we have no evidence that the Soviet Union is likely to bow to legislative pressure, and good reason to think that such pressure could be counterproductive.

If we try to back the Soviet Union against the wall on this issue, it may react and say no more emigration. We should not expect the Soviet Union or, for that matter, the United States to back down totally and publicly when confronted with a challenge by economic pressure to an internal policy. The Soviet Union has not done so before and is not likely to do so now.

Legislation linking further trade to removal of the education tax could not only forfeit the political and economic advantage to the United States that can accrue to us by skillful use of trade, but it could also affect the progress that allowed over 32,000 Soviet Jews to emigrate to Israel in 1972 and has maintained a monthly average of between 2,000 and 3,000 this year.

CONCLUSION

We all agree that that Soviet Government should liberalize further its emigration policies and let its citizens seeking to emigrate leave for other lands where those citizens feel they can live and work dignity and honor. I only suggest that the best means to achieve this goal are strong, quiet diplomacy, and persuasion in all official and nonofficial contacts with Soviet authorities. We should be, and I think we are, telling the Soviet Union that if changes in some of its internal policies which Americans abhor are not effected, our relations cannot continue to progress. This approach has the best chance of persuading the Soviets to alter their emigration policies, and to advance

our total national interests with the Soviet Union.

The pursuit of peace, then, emanates from a pragmatic view of coexistence. As Secretary Kissinger recently suggested, we "must be concerned with the best that can be achieved, not just the best that can be imagined." The pragmatic approach to our relations with the Soviet Union is, by and large, the approach used by the administration, and it should receive congressional support. I urge my colleagues either to support the administration's original request in title IV without any amendments, or to delete the entire title and have it brought up at a later date.

Mr. PODELL. Mr. Chairman, today's vote on the Vanik amendment will vitally affect the future of the oppressed nationalities in the Soviet Union as well as the course of Soviet-American relations. Courageous dissidents in Russia such as Evgeny Levich and Andrei Sakharov are awaiting our decision.

If we vote down the amendment it will be a signal to the Russian people that we care more for trade than for freedom, that our high flown promises are worthless.

It will show the Russian Government that they can continue to bleed America of her know-how and her resources as long as they pay lip service to a shallow détente.

It is only the strong moral pressure from the West which has provided the limited protection Soviet Jews will enjoy. Tens of thousands have escaped to Israel thanks, in no small measure, to the respect the Kremlin has for the Congress of the United States. Today we must earn that respect.

The administration pleads with us, "Do not jeopardize détente." But what is this détente they are so eager to save. If by détente they mean the recognition by both super powers that a nuclear war is totally unacceptable than no one will argue with them. Surely avoiding a nuclear holocaust is everyone's first priority. But beyond that, détente in the sense the administration preaches is a cold and dangerous concept. One that ignores human needs and the breakdown of barriers between Americans and Russians in favor of narrow agreements between the two governments.

We must restore the provisions barring credits and barring most-favored-nation status to Communist nations which prohibit free emigration. The most-favored-nation status has become a symbol in America and Russia for American determination to aid those Soviets denied the rights guaranteed them by international agreements. However, the credit provisions are the true key to impressing the Soviets. Almost all the significant projects the Soviet Union wishes to arrange are dependent on American financing. If we are really going to impress them with our commitment to change we have to turn off the flow of money.

There are three elements in the administration argument. The first is humanitarian. We must apply pressure quietly, we are told, to be effective. As trade and scientific contacts expand Soviet society will inevitably open up. Yet for years it has been public pressure which has worked. Does anyone doubt that Aleksandr Solzhenitsyn would have been silenced along ago if it were not for the furor of the free press.

Romania is the most open of the Communist nations in allowing international contacts; yet they maintain one of the most authoritarian domestic regimes. This is what the Kremlin wants for Russia and this is what Mr. Nixon's plans will allow.

The second argument is economic. We will gain great benefits by trade with the Soviets regardless of its political effects. This argument ignores the simple fact that both sides must have something the other wants. America has a great deal the Soviets want, particularly our advanced technology, our grain, and our money.

But what does the Soviet Union have to offer. There is only so much vodka and caviar that the American market can consume. What of the natural resources of Siberia, oil and natural gas, which are supposedly ours for the taking? In fact extracting these resources is so expensive that the Soviets are increasing their own reliance on Middle Eastern oil rather than exploit their reserves in Siberia. Even if Russian oil becomes an economic feasibility it would be folly to replace our dependence on the Arabs for energy needs with dependence on the Russians.

Finally, the goal of the Kremlin is to use American technology to build an advanced industrial society comparable to our own. Such a society will gobble up natural resources, especially gas and oil leaving precious little for export to the United States.

The prime example of economic cooperation between our two countries is the wheat deal, popularly known as the "Great American Grain Robbery." We sold one-quarter of our wheat crop at bargain prices to the Russians, forcing prices up at home, cheating American farmers of a fair profit while reaping windfall profits for a few large grain dealers.

The final touch was added recently by Secretary of Treasury George Shultz. In response to a suggestion that the United States curtail grain exports to Arab nations withholding oil from us, Shultz responded that the Soviet Union could make up any deficit the Arabs incurred, presumably with American wheat.

The most serious administration claim for the merits of détente are political. By working together with the Russians we assure the peace of the world. Their startling proof of this is the Yom Kippur War. Mr. Nixon claims that because of détente and his personal relationship with Brezhnev we made it through the most serious crisis this Nation has faced since the Cuban missile crisis.

One wonders how we reached such a critical confrontation in the sweetness and light world of détente the administration believes in. In fact the Russians did everything they could to aggravate the crisis caring only that a direct confrontation which might lead to a general war be avoided.

The Russians not only had foreknowledge of the Arab attack, but they actually made it possible. Without Soviet missiles there would have been no war. As soon as the war began the Russians poured weapons into Egypt and Syria while we pleaded for restraint. Fortunately Mr. Nixon did not allow Israel to collapse with détente but responded to the Soviet arms airlift.

Even after the ceasefire was achieved the Soviets pushed us, always keeping just shy of any irrevocable actions. Now that negotiations are only weeks away the Russians continue to mouth propaganda while leaving to the Americans the difficult and painful task of reconciling the Arabs and the Israelis. So much for the political values of détente.

A new relationship with the Soviet Union is possible and probably inevitable. It is for us to say what that relationship will be. The administration wants us to embrace the Kremlin with open arms and closed eyes, trusting to the good will of the Russian leaders and the cleverness of our own administration.

So far the Kremlin has managed to steal us blind. The Russians want a great deal from America and we should deal with them on our own terms. There is little economic incentive they can offer at the moment but they can earn our aid by other means.

If they agree to free emigration, if they stop suppressing their most outspoken and noble citizens they will have made a true commitment to a new relationship with America, one that will be worth our aid and support. This change will not come from quiet pressure from the administration, but from the firm stand of the American people as expressed by Congress.

Mr. BRASCO. Mr. Chairman, I rise in support of the Vanik amendment. At last the freedom of emigration question has come before the House, posing a choice to America that will evoke the best from us, or the worst. Essentially, it boils down to the overwhelming majority of the Congress seeking a law that will deny certain trade concessions to the Soviet Union and similar nations whenever they deny their citizens the right or opportunity to emigrate.

When the Vanik-Jackson amendments were introduced last year, the Russian regime made a great show of defending its privilege to abuse its citizens in any way it chose. Certain elements here, both in and out of Congress, encouraged such opposition on their part, quietly assuring the Soviets that with the next Congress, it would not be found in their path. To the enormous credit of the American people, this has not proven to be the case. Because the overwhelming majority of our citizens support the rights of oppressed people and have made their feelings known to the Congress.

This has been one of the noblest actions taken by our country in a long time. It can be termed a redeeming act in a time when some have come to doubt our capability to perform in such a manner.

Certain elements in this country have wrung their hands over the magic word "détente" warning that the long sought rappfoachement with Communist Russia would die aborning, because of our insistence upon standing up for the op-

pressed in Russia. Solid congressional support for freedom of emigration gives the lie to their ignoble efforts to sabotage this altruistic policy.

A few business interests, enamored of Russian rubles and major contracts with the Soviets, have tried to trample the hopes of millions for liberty under the eager feet of those consumed with lust for profit at all costs. Those few American companies who have actively pursued policies of this sort stand huddled alone in the public view, exposed for what they really are: Insensitive greed personified and a disgrace to our ideals and best hopes.

Alongside them are their political allies, who, under the guise of seeking understanding with Russia and an end to international tensions, really are rather traditional opponents of the very people who only hope for freedom lies in our hands. How strange it is that so many of these same opponents of freedom of emigration for Russian Jews have voted previously to use American economic leverage against nations they dislike. Aid to Greece exercises them. Sugar quotas for South Africa incense them. Chrome imports from Rhodesia prick their finely tuned consciences. On this floor they have beaten their breasts, howled their indignation, and demanded vigorous application of our dollar power on behalf of morality, charity, compassion, and motherhood. Would that their moral outrage for human beings were as strong today on behalf of the Jews of Russia.

There are also some who have thumped the tub loudly on behalf of every cause from Tibetan refugees to the plight of the Indians in the Amazon jungles. Worthy causes, to be sure, but not causes where we can have immediate effect, as is the case here. Some here in the United States, however, notable for their radical cast of thought, have taken it upon themselves to wage a personal vendetta upon the Jewish people, turning a blind eye and deaf ear to their plight in Russia, their murders by terrorists, letter bombs, executions of Israeli POW's, and Munich horrors. All these acts are excusable in their eyes.

How strange it is that so many such individuals have turned against the Jews in this, their hour of dire need. How odd it is that the images of 1945 have faded so much from our view. How sad it is that the world today countenances and even abets the atrocious international double standard now being applied to the Jews in our midst. What a confession of international moral bankruptcy.

We dare not, for our own sakes, turn our eyes from the tragic realities of Soviet Russia today, no matter how we yearn for rapprochement. The Vanik and Jackson amendments have forced the Russians to ease some restrictions on emigration. Yet we dare not doubt for an instant that if we relax the pressure they will almost immediately clamp the lid on the hopes of these people, slamming the door to a new life shut in their faces. Soviet promises are as reliable as the vagaries of the wind. Did we not see a few weeks ago how much they thbught of détente? Did we not observe how they were willing to cast the dice, as any desperate gambler, putting détente on the line in the hope for geopolitical gain in the Middle East? Did we not see their sea and air lift? Have we not noted the lengths to which they were willing to go? Have they changed? Will they turn from power politics to morality if asked? I think not.

We must institutionalize our determination to gain freedom for these people, so that others as well may follow the road to freedom by the light of our example. Only a permanent method of pressure, embodied in law, will keep Russia true to her word. Their Constitution is the finest and freest in the world, on paper. Contrasted with the realities of Russian life, it is a disgraceful sham. Also, we should pass this guarantee because the nature of the opposition to it has made it a challenge to amoralism in our foreign policy.

Shall we embrace, by refusing to enact this legislation, the concept that a nation has no obligations other than those dictated by pure self-interest? Shall we revive the Metternichean principle that nations have only permanent interests rather than permanent principles and friends? I pray not.

We are confronting these people with a nasty choice; the only one such a regime understands and is moved by. Modify your disagreeable and unjust policies or harm your own economic self-interest. If they choose to oppress their citizens, we can do nothing. But we can make them choose, and it is our obligation to make them do so. To do otherwise would be to fail to use a readily available nonviolent instrument on behalf of an oppressed and driven people who cry out to us in their frustration and fear.

Unpleasant as it is to state this, many foes of this measure are merely unwilling to offend a dictatorship that happens to be a good customer and may become a better one. That is applied amoralism, and should be revealed for what it truly is. Any détente built on condoning such institutional outrage is not worth having.

Consider what we are endorsing if we do not take a forthright stand on behalf of the Jews of Russia and other minorities dependent upon their fate in this struggle.

Here is the single most persecuted minority in the history of mankind. Here is a people which stand alone as the only people to have been the victims of organized, assembly line genocide at the hands of a modern, industrialized state. One million Jewish children were gassed, shot, burned, and hacked to pieces by the Nazis. Forget about the Crusades, the Inquisition, Dreyfus, Leo Frank, and all the rest, if you can. Forget about the incredible black blot running across so many pages of man's existence labeled anti-Semitism. Forget about mass shootings, torture, programs, auto-da-fes, exiles, and ghettos. Forget about the people of the book, who, still penned up like animals, cry out to the world to be free.

Have we no conscience? Have we no compassion? Do we stand for nothing except a fast buck? Is selling Pepsi-Cola in Russia more important than freeing a family to live differently than their forebears?

Russia has always persecuted her Jews. Catherine the Great loathed them, imposing upon their heads and those of their children a series of restrictive rules that condemned them to lives of frustration and misery. The Romanoffs organized mob violence against these people, accusing them of ritual murders to focus peasant wrath on the Jews and away from their own heads and hands, begrimed with exploitation and sated with exorbitant luxury. The Soviets, led by the infamous Stalin, methodically sought to destroy the religious roots of the Jewish ethos, and failed, ingloriously, as so many others have done before them and will fail in the eras to come.

In international law the foundation of the right to travel is the Universal Declaration of Human Rights adopted by the U.N. General Assembly in 1948. Not that that organization would utter peep number one on its behalf and in favor of any Jew anywhere. Rather, I mention this to strengthen the cause of this measure. Surely, it should be extended to Jews as well as to other political refugees.

The world has not done too well by the Jews recently. So tell me what else is new. We watched the Munich horror without acting against terrorists. Letter bombs, sabotage, economic boycotts, and other measure aimed at these poor people have only evoked further anti-Semitism, some of it on the editorial and society pages of major newspapers. Today the Jews stand alone, for a change. Except for us.

As they mourn their freshly buried dead, perished after a sneak attack upon them that so many seem to condone in the name of "recapturing territories" we have a chance to signal these and other people that conscience is not dead, that human dignity is espoused by some and that a few nations are yet capable of honorable behavior.

America is no paragon of international virtue. But she is, after all, a subscriber to the elementary rules of decency governing the affairs of men and nations. Foreign policy is, I believe, supposed to at least try to walk such paths.

Those who believe the business of American foreign policy is business can relax. Even if we pass the Vanik-Jackson measures, as I fervently hope we do, the Russians will rave a bit today, but be back at business tomorrow. They care about commerce far more than they do about human rights. Nitchevo, comrades. Just once, would not it be a fine thing for America to do what she should do out of a sense of rectitude, rather than in the traditional cynical way of international dealing?

Sometimes a man or an action expresses the essence of what our country is or seeks to be. Today I am reminded of one such man, who, if alive today, would passionately endorse what the Vanik-Jackson measures seek to accomplish. His name was John Peter Altgeld, Governor of Illinois, lo, those many years ago. Some years before he took office, during the labor strife of the 1870's, there oc-

curred in Chicago the Haymarket riot, where some unknown person threw a bomb that killed several innocent policemen. Anarchists were accused and several were arrested, tried, and sentenced to death. Several were executed, and the rest languished in prison under life terms.

Altgeld discovered that they were totally innocent, after he reviewed the evidence and trial transcripts. He then announced his determination to pardon those remaining in jail. His inner circle reacted violently against that decision, telling him that such a move was political and social folly. After repeated remonstrances by many close friends, he finally responded with one simple phrase that summed up what American meant to him in response to one friend who asked him, "Why are you doing this?"

He answered, "Because it is right."

Altgeld was a Czech immigrant. He knew what America was. A beacon light to the world, rather than a cynical nation which would subordinate its ideals to profit, power, and greed. We, too, are all the children or descendants of those who came here seeking the same dream. Have we forgotten, or will we remember, what it is all about. Will it be a Mammon or Altgeld? I know what we must do. The question is—Will we do it?

Mr. ANDERSON of California. Mr. Chairman, I rise in support of the Vanik amendment which would deny the use of American tax dollars to subsidize credit to those Communist nations which restrict their citizens from emigrating in pursuit of a better life.

We could ignore this matter of human rights. We could turn our backs on the Soviet Jews who have been repressed, persecuted, deprived of basic rights, and prohibited from leaving the country without paying a heavy tax. Perhaps this would allow some businesses to make a few more dollars; perhaps it would ease tensions between the U.S.S.R. and ourselves.

We could ignore their plight, but I think we are better than that. I think that we honestly believe in freedom and in the principle that none are free until all are free.

I think that we, as a nation, are totally committed to policies which help peoples in other nations gain their freedom.

The Vanik amendment would help this cause by encouraging the Russian leaders to adopt a less restrictive policy toward their Jewish citizens in order to gain trade benefits from us.

This amendment would show the world that we are a nation of people still concerned with the plight of those who are deprived fundamental rights. It will show that we not only talk of freedom, but that we are also willing to stand up for it. It shows that the American people care more about people than profits.

Mr. Chairman, I support this measure not out of any desire to challenge the Russians, but rather to offer a helping hand to the Soviet Jews who need our support.

Mr. ASHLEY. Mr. Chairman, there is no question but that the matter of most-favored-nation treatment falls within the jurisdiction of the Committee on Ways and Means. This cannot be said of the additional language sought to be offered by Mr. VANIK, dealing with Government programs of credit, credit guarantees, and investment guarantees, which lie within the jurisdiction of the Committee on Banking and Currency, the Committee on Agriculture with respect to certain commodity credits, and the Committee on Foreign Affairs with respect to certain investment guarantee programs. It is a matter of record that the acting chairman of the Committee on Ways and Means, Mr. ULLMAN, ruled the very language which is the subject of the Vanik amendment to be nongermane, within the jurisdiction of the Committee on Banking and Currency and out of order—and that his ruling was sustained by a vote of the committee membership.

Far more important, from a substantive point of view, is that there was virtually no testimony taken by the Committee on Ways and Means with respect to the effect of the extension or denial of Government programs of export credit to state trading countries. In fact, the committee print, briefing paper No. 8, of the Committee on Ways and Means indicates that only one public witness testified with respect to the right to emigrate as an amendment to the Trade Reform Act of 1973. I should point out in this connection that the Export-Import Bank Act expires on June 30, 1974, that the administration has requested new authority for the Bank, and hearings before the Subcommittee on International Trade of the Committee on Banking and Currency, which I chair, will be held on this subject early in the next session.

Mr. Chairman, my friendship and support for Israel are a matter of record stretching over a period of more than two decades. I have traveled there extensively and I was one of the early voices in the Congress to support the intricate water distribution system that has so dramatically turned vast deserts into productive farmlands. Nor have I been silent with respect to the historic policy of the Soviet Union which has precluded its citizens from leaving that country, or to the exorbitant fees required as a condition of emigration in a great number of instances.

The fact remains that the Vanik amendment may well become the law of this land without changing Soviet policy one iota. Is it worth the risk of pushing the Soviets into a decision to cut back on the emigration of Soviet Jews to Israel, now at a pace of more than 3,000 a month?

Can we assume that the Soviets are so eager for trade with the United States and are so dependent on U.S. exports and credits that they will acquiesce to what they consider to be interference in their internal affairs? In my view, Mr. Chairman, détente with the Soviet Union is in the interests of the United States and it is very much in the interests of Israel. Prime Minister Meir made this abundantly clear during her recent visit to this country when she stressed the importance to Israel of continued flexibility in the relations between the United States and the Soviets. Our Secretary of State, Dr. Kissinger, has expressed similar views and he, too, has warned against the counterproductive consequences of relying upon the Vanik amendment rather than diplomacy to bring about changes in internal Soviet policy.

Mr. Chairman, it is for these reasons and those which follow that I also will support a motion to strike title IV from the pending bill. The fact is that, regardless of most-favored-nation treatment, which the Soviet Union wants, trade is going to continue. This point is heavily underlined by the report last month that trade with Communist nations is the big reason why the United States stands to show a trade surplus in 1973. Obviously, if the terms of trade are mutually advantageous, then trade will take place.

The whole concept of most-favored-nation concessions, which has been the cornerstone of U.S. trade policy since the early 1930's, has in fact become largely outdated. The rules of the General Agreement on Tariffs and Trade, a body which now includes 77 trading nations, specify that if a member grants trade concessions to another, they must be extended to all members. Thus, MFN has become the rule rather than the exception.

With a new round of GATT negotiations now starting in Geneva, it is time Congress stopped using the trade bill as a political football. The legislation is needed to give the United States the flexibility it needs to deal realistically with other nations. The Soviet trade issues can wait.

Mr. QUIE. Mr. Chairman, the Vanik amendment is one of the most difficult I have been faced with. I deplore the emigration policies of the Soviet Union which have been an extreme hardship on their Jewish citizens desiring to emigrate to Israel. Just a little less than a year ago I spoke by long distance telephone to a Jewish intellectual in the Soviet Union about conditions there. Hoping that a show of support on the part of Congress would cause the Soviet Union to liberalize its emigration policies, I cosponsored the Mills-Vanik bill. This indication of support by the Congress I think helped the current administration in its effort and progress has been made.

Now the question comes should we actually use economic force. From what I have been able to learn this could very likely be counterproductive for those we want to help. The Arabs are using an economic club on the United States right now. Should we give in and turn our back on a nation for whom we at least have a moral commitment to assist in its survival—the State of Israel.

Interfering in the internal affairs of a foreign country is dangerous business. We cannot have it both ways—we freely interfere with others and no one can interfere with us. We should also remember there are some Americans who have disagreed with the policies of the United States and have voluntarily left this country. How would we react if a foreign country used economic force to persuade the United States to open its doors to them. Their return is an ethical question which we must resolve. I think persuasion

can help while economic force would be harmful.

So I have come to the conclusion that the Congress has now carried this far enough and we ought to permit our Secretary of State Henry Kissinger to bring about additional changes with the Soviet Union through diplomatic channels which is the constitutional prerogative of the Executive and which has borne fruit in this administration.

Mr. BINGHAM. Mr. Chairman, I have for many years been greatly concerned about the plight of the Jews in the Soviet Union. In 1967 I organized a joint statement of protest in the House against the Soviet treatment of their Jewish community which was eventually signed by 306 Members.

At various times the House has overwhelmingly supported resolutions expressing the revulsion of the Congress at the Soviet policies, particularly the severe restrictions on emigration which are in conflict with the Universal Declaration of Human Rights and subsequent conventions to which the Soviet Union is a signatory.

During the past year, as a part of its policy of détente with the Soviet Union, the Nixon administration has proposed that existing law denying most-favored-nation status to the Soviet Union and other Communist countries be repealed and has publicly indicated its interest in extending large credits to the Soviet Union for the development of the latter's industry. A particularly spectacular proposal under discussion has been the idea of extending Export-Import Bank credits running into the billions of dollars for the development of natural gas resources in Siberia in the thought that such natural gas could be liquefied and shipped to the United States to help overcome this Nation's shortage of energy, and especially of natural gas.

In the face of these proposals, I joined many Members of the House under the leadership of the gentleman from Ohio (Mr. VANIK) in supporting an amendment to the trade bill that would deny credits and most-favored-nation status to the Soviet Union and other totalitarian countries until their unreasonable restrictions on emigration are removed, especially the notorious education tax which threatened to make it virtually impossible for scientists, engineers, and other highly educated people to leave the Soviet Union. A similar amendment was proposed in the other body by Senator JACKSON and cosponsored by a large majority of the Senate.

In its consideration of the trade bill now before us, the Committee on Ways and Means adopted the Vanik amendment so far as most-favored-nation status was concerned, but eliminated that part of the amendment that dealt with the extension of credits. Now the House of Representatives has an opportunity to reverse that action by the Committee on Ways and Means and to adopt the Vanik amendment in its original form.

There are those who argue that this action will be counterproductive and that it will actually hurt those it is intended to help; namely, the thousands of Jews who wish to leave the Soviet Union. But this very group has made it abundantly clear that they do not agree with this judgment and that they very much want the Jackson-Vanik amendment adopted. That courageous dissident, Andrei Sakharov, has expressed the same view.

It is also claimed that the Soviet Union's policy on allowing its citizens to leave is a domestic matter which should not be involved in questions of foreign trade and investment. But it has become increasingly clear in recent decades that gross violations of human rights are legitimately a matter for international concern. Without in any way attempting to equate the Soviet treatment of the Jews with the horrors perpetrated by Nazi Germany, it is pertinent to recall that at one time there were those who argued that the Nazi treatment of the Jews was a domestic matter not subject to outside interference.

We have it on the authority of an expert such as Dr. Hans Morgenthau that, when the Soviet Union wants something, they expect to pay something for it. Their actions with respect to the emigration of Soviet Jews have already shown a considerable responsiveness to American and world pressures. It is clear they want most favored nation status and that they want American credits. I have no doubt they will find a way, without losing face, to achieve both of these objectives if this bill is enacted into law incorporating the total Jackson-Vanik amendment including credits.

Obviously, none of us wants to see the Soviet Union become adamant if the Jackson-Vanik amendment is adopted and enacted into law. This would produce no benefits for the Jewish community in the Soviet Union and would also deprive the Soviet Union itself of the benefits of most favored nation status and of American credits. I must say, however, that I am less concerned than I would have been a year ago at the prospect of the United States failing to provide the credits needed for the contemplated natural gas development in Siberia. The Arab oil boycott has dramatically shown us how dangerous it is to become dependent for any essential commodity on not-necessarily-friendly foreign powers. If we do go ahead with the natural gas deal, we must be sure that we are guaranteed against any cutoff of the flow of natural gas in the future.

Similarly, the whole concept of détente has lost some of its attractiveness with the Soviets' obvious complicity in the Yom Kippur war and their encouragement of the Arab States to withhold their oil supplies.

For all of these reasons, I support the Vanik amendment with enthusiasm.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment proposed by the Gentleman from Ohio (Mr. VANIK) prohibiting the extension of credits, credit guarantees or investment guarantees to those countries denying its citizens the right or opportunity to emigrate.

Early in the first session, when this amendment was first introduced, I joined a number of my colleagues in supporting the measure. While I fully understand the need for seeking new trading opportunities throughout the world, it is even more important that we do not compromise our principles of freedom and democracy for monetary gains.

In reporting this bill, the committee wisely saw fit to deny most-favored-nation treatment to those countries with restrictive emigration policies. However, in supporting this amendment we must complete the action taken by the committee. Denial of most-favored-nation status means little if not accompanied by a prohibition against credit extension.

Accordingly, I urge my colleagues to support the amendment before us clearly speaking out that our Nation does not condone the denial by any nation of the basic right of the freedom to emigrate.

Mr. BIAGGI. Mr. Chairman, I rise in support of the Vanik amendment to the bill H.R. 10710, the Trade Reform Act. While I am in total disagreement with the trade provisions of this bill, and with the tactics employed to hold this amendment hostage to insure the bill's passage, if it does pass, we will at least be able to demonstrate to the Soviet Union that their continued flagrant disregard of human rights will not continue to be tolerated by the United States.

As this bill is presently written, our only response to the Soviet Union's archaic and inhumane emigration policies would be to deprive them of most-favored-nation status in international trade. This action might serve to inconvenience the Soviet Union more than it would actually harm them economically. However, by adopting the Vanik amendment we would be adding the important provision of prohibiting trade credits and credit guarantees to the Soviets until they abondon their emigration policies. The threat alone which the Vanik amendment contains may ultimately prove to be more effective than its application in reality, but the overall fact remains that this amendment will surely hit a lot closer to home economically in the Soviet Union.

There are many of my colleagues who argue that the United States should not be interfering in the internal affairs of another country. However, we are dealing with a basic and universal human right which is explicitly provided in the U.N. Charter, with the U.S.S.R. as a signatory, indicating compliance with this provision, namely freedom of emigration. Yet for Jews and other minorities living in the Soviet Union this right has been ruthlessly disregarded.

If a country wishes to participate fully in the community of nations, it must meet minimum requirements in its dealings with its citizens. One of the most basic requirements is the permitting of free emigration for those who desire it. For years, the Jewish citizens of the Soviet Union have not only been deprived of this fundamental human right, but have also been subject to persecution and inhumane treatment by the Soviet Union. Do we condone these type actions by the Soviet Union by granting them major trade concessions? I say emphatically no.

Yet the Vanik amendment deserves passage for reasons beyond those pertaining to Soviet emigration policies. Recent examples are the actions of the

Soviet Union in the Middle East which have proven that détente is a policy which is far from being realized. Soviet actions resulted in a near-confrontation between the two superpowers, not seen since the Cuban crisis of 1962.

Further, the Soviet Union was instrumental in encouraging the Arab oil embargo which has plunged this Nation into its most serious energy crisis in history.

These actions should prove to the Nixon administration that we must begin dealing more firmly with the Soviet Union in matters of international trade. The Vanik amendment represents an important first step.

We must also remember that by granting the Soviets trade credits, it will allow them to further enhance their arms superiority over the United States, by promoting further development of arms.

Mr. Chairman, the U.S. Government for too long has ignored the serious plight of the Jews and other oppressed minorities in the Soviet Union. We have been led to believe that we were embarking on a new international policy with our former adversary, characterized by cooperation instead of confrontation. Yet we can never afford to forget that the U.S.S.R. is still a Communist country, and has not lost its primary purpose, to ultimately dominate the world. As a result we should not enter into any meaningful agreements with the Soviet Union until we receive assurances that they are willing to compromise this objective, and as a start begin to respect the rights of men to emigrate freely. Adoption of the Vanik amendment today will clearly demonstrate to the Soviet Union that the freedom of all oppressed minorities in their nation will continue as a paramount prerequisite for international trade agreements. It is the responsibility of the United States to begin to promote the cause of freedom throughout the world. Let us begin today.

Mr. DRINAN. Mr. Chairman, I have long been active in the effort to win freedom of emigration for citizens in the Soviet Union. I have been an early and loyal sponsor of the Jackson-Vanik-Mills bill, which would deny most-favored-nation trade treatment or extension of credits and guarantees to the Soviet Union unless the Soviet Union permitted freedom of emigration. I submitted testimony in favor of this bill to the House Ways and Means Committee, and have spoken on the subject of freedom of emigration on numerous occasions on the floor of the House of Representatives.

Today, I have an opportunity to cast my vote in favor of the Vanik amendment which will restrict the extension of U.S. Government credits and credit guarantees to countries, including the Soviet Union, which deny free emigration. Credits and credit guarantees are the most valuable trade preferences the United States can grant other countries. I am hopeful that all of the 289 House cosponsors of the original Jackson-Mills-Vanik bill will continue their support and join me in supporting the Vanik amendment. This amendment will give "teeth" to title IV of this bill. The position of the Soviet Union in recent and continuing Middle East crisis is an example of the serious threat to the continued safety of emigrating Soviet Jews exhibited by the Soviet Union.

Present U.S. Government participation in credits to the Soviet Union, in direct Export-Import Bank credits, and in Commodity Credit Corporation credits amount to well over a billion dollars. My long-standing objection is not to treating the Soviet Union equally in our trade policy. I object to treating the Soviet Union preferentially. Such preferential treatment is unjustifiable in economic terms. Already the Soviet Union has bought American grain at bargain prices. The Soviet Union has received loans at preferential rates. The Soviet Union has consistently refused to comply with accepted norms for securing Eximbank financing and the Soviet Union is hoping to receive preferential treatment for resource development as well.

If we are to grant the Soviet Union preferential trade treatment, I believe that the United States has every good reason to insist that political and humanitarian considerations be included in the granting of MFN, and that we should, by supporting this amendment, attempt to receive substantial political concessions in return for our granting this advantageous trade status.

Dr. Elihu Bergman, consultant to the National Conference on Soviet Jewry and assistant director of the Harvard University Center for Population Studies, stated that as of October 1973 credits and credit guarantees from the U.S. Export-Import Bank in the amount of $202.6 million had been made available to the Soviet Union. The credits carried an interest rate of 6 percent and grace periods before repayment begins of up to 10 years. These transactions supplemented the $750 million line of credit for the so-called wheat deal made available in 1972 by the Commodity Credit Corporation. Dr. Bergman stated:

> In addition to these actual credits, major transactions involving the Soviets and American firms that have been announced this year envision U.S. Eximbank credits of approximately $3 billion. These credits too would be made available at a subsidized rate of six percent.

The loan of money at 6 percent rate for Eximbank means that Eximbank incurs a loss, which represents the subsidy paid by the U.S. Treasury, and ultimately by the American taxpayer. Beyond these direct costs, to the taxpayer, credits and credit guarantees exert an inflationary impact on the American economy, according to Dr. Bergman. This occurs because in raising the funds, the Eximbank competes against other demands for funds in the domestic money market, thereby increasing the cost of domestic credit, and contributing to the rise in the domestic price structure.

In economic terms, the Soviet Union has much to gain from us, while we have little to gain from them. If we are to subsidize Soviet imports—through granting Eximbank credits—and thus Soviet economic development, then these subsidies must be viewed as a kind of foreign aid, and must logically be subject to the same political considerations that surround our foreign aid determinations. The increase in demands of the Soviet consumer and the need to modernize seriously backward segments of the Soviet economy, suggest that the Soviet Union has a great stake in seeing the fruition of Soviet-American technology transfer. The stake of Soviet-American trade, as perceived by the Soviet Union, gives the United States valuable diplomatic, as well as economic leverage. This potention must be utilized, not only for our own benefit, but for the larger benefit of the community of nations.

Freedom of emigration in the Soviet Union is not the only basic freedom that needs to be guaranteed to the Soviet people, but it is the central issue today. There is no more basic freedom than the right to leave one's country if one so chooses—a right consistently and oppressively denied the Jewish citizens of the Soviet Union. The Jews of the Soviet Union have suffered enough. We in Congress have an opportunity to help by casting a vote in favor of the Vanik amendment today.

There is no greater goal before mankind than the relaxation of world tensions and the eventual realization of world peace. The developing commercial ties between the Soviet Union and the United States offer hope for improvements in a wide range of relations between our two countries. But we should not confuse superficial appearances of improved relations for genuine and lasting accomplishments. In our dealings with the Soviet Union, we should not deny the moral principles upon which our Nation was founded, and we should not ignore the basic rights and freedoms of all people of the world as enumerated in universally accepted international declarations and obligations.

I urge all of my colleagues to support this important amendment.

Ms. HOLTZMAN. Mr. Chairman, I strongly support the efforts to relieve the plight of Jews and political dissenters in the Soviet Union by putting Congress on record against special trade concessions with Russia unless freedom of emigration is granted. I know that I speak for thousands of my constituents on this point.

Many of us in Congress have been working for months to help change the Soviet Union's repressive policies. I am particularly proud to have helped organize a bipartisan congressional vigil which took place over the past several months on the floor of the House in support of the Mills-Vanik legislation.

Title IV of the trade bill presently includes a provision denying most favored nation status—special tariff concessions—to the Soviet Union until it lifts its barriers to emigration. I strongly support this provision, and will oppose any attempt to strike it from the bill.

I also intend to support the Vanik amendment which will deny special trade credits to the Soviet Union until freedom of emigration is granted. We cannot permit American tax dollars to finance trade with the Soviet Union—through special credit arrangements such as were used in the grain deal—while the Soviet Union refuses to allow

Jews and dissenters the basic right to emigrate.

I know we in the Congress would not want to subsidize the denial of the fundamental freedom of emigration.

I am unable, however, to support the Trade Reform Act on final passage. While I support the concept of free world trade, I feel the bill suffers from a number of major defects that pose serious problems.

First, I am deeply troubled by the grant to the President of dangerous and broad authority to negotiate the removal of nontariff barriers, subject only to a congressional veto within 90 days. This provision allows him to waive U.S. requirements for consumer protection product safety and environmental control in the interest of improving trade. With no standards cited in the legislation, the potential for abuse is enormous, and the grant of such power constitutes an unnecessary and unwise abdication of responsibility by Congress.

Second, the bill totally fails to address the enormously complex and difficult problem of American-based multinational corporations whose growth has been fostered by numerous tax loopholes. We are fooling ourselves and the public if we do not include in a comprehensive trade bill some serious attempt to deal with the sweeping powers of these multinational corporations over world trade and, indeed, world politics.

Finally, I believe the delegation to the President of such broad powers as are contained in H.R. 10710 is a dangerous precedent and an unnecessary abandonment of our own congressional responsibilities. The role of Congress becomes all the more important because the authority contained in the bill could permanently affect the nature of American trade relations for years to come.

Therefore, I will vote to insure that the Mills-Vanik provisions are in this bill. But, I feel constrained to oppose the Trade Reform Act of 1973 on final passage.

Mr. RANDALL. Mr. Chairman, I support the amendment sponsored by the gentleman from Ohio (Mr. VANIK) which seeks to prohibit extension of trade credits or credit guarantees to any nonmarket economy country which denies or unduly restricts the fundamental human right of emigration. In offering his amendment, our colleague from Ohio is merely attempting to restore the original provisions of the so-called Mills-Vanik-Jackson amendment.

As now written, the committee bill prohibits extension of most-favored-nation status to countries that deny free-from emigration. The credit limitation language is not contained.

It should be no secret that these prohibitions are primarily aimed at achieving a relaxation or alteration in Soviet emigration policy. There is no need to describe in detail the many official and nonofficial barriers a Soviet citizen encounters if he wishes to exercise his fundamental human right to emigrate. Everyone is aware of the education taxes, excessive document and visa fees, and so forth, which have been used to restrict the the freedom of Soviet citizens.

In other words, Mr. Chairman, my vote in favor of the Mills-Vanik amendment is essentially a humanitarian vote in support of basic human rights. It puts the U.S. Congress on record in favor of freedom to emigrate to the country of a person's choice.

However, if this expression of humanitarian concern is to be more than illusory, we must support the amendment now before the House. The prohibition against conferral of most-favored-nation status to countries which deny freedom of emibration while allowing extension of credits and credit guarantees to the same countries makes the freedom of emigration section an illusory promise, a mere rendering of lipservice to the principle of free emigration.

The credit provisions are much more important to the Soviet Union than the granting of most-favored-nation status. The Soviets are much more interested in obtaining credit financing for industrial development than in obtaining MFN status for its exports. The truth of the matter is that at this time the Soviets do not have too much of a U.S. market for their exports. In other words, in order to be an effective tool of international diplomacy, the Mills-Vanik-Jackson amendment must include a prohibition on extension of credits. If this body wishes to make a firm commitment to freedom of emigration, it will support the amendent now before us.

Moreover, there is another, and perhaps more compelling reason to support the Vanik amendment. In view of today's international situation, it is questionable whether the United States should guarantee or extend any credits to the Soviet Union. We must remember that these credits, American money, will be used to fuel the Russian state economy and its industrial development. They will enable the Soviet Union to continue and expand its high expenditures for defense and its investment in military hardware. Remember, in a nonmarket economy, there is no differentiation between the private and public sectors. When we give money to the Soviets for economic development we are giving money to the Soviet Government. Extension of trade credits to Russia is actually a disguished or type of "back door" foreign aid. In principle, I have been consistently opposed to foreign aid. My opposition hardens, however, when the foreign aid is given to a country which, despite detente, remains our principal international adversary.

Why should we spend upwards of $80 billion annually for defense against the Soviet threat, and then turn around and provide American money to fuel the Russian military-industrial complex? In my mind, there appears to be an inconsistency involved here. The potential expenditures involved for our Government are not limited to extensions of credit. Think of this. What if we are forced to increase our own defense budget to offset the increased strength of the Soviet military-industrial complex resulting from the infusion of American capital?

I have respect for this administration's achievements in the field of foreign policy. Its promotion of détente is to be commended. However, events of most recent date should remind us that detente is still only a hope, and not much reality. Indeed, consideration of the very bill now before us has been at least twice delayed, at the administration's request, because of Soviet adventures in the Middle East. Who can forget that it was Russian arms and support which allowed the Arabs to initiate hostilities against Israel just 2 months ago? Who can overlook the fact that the U.S.S.R. is presently supporting the Arab oil boycott which has crippled our allies in Europe and aggravated our own energy crisis at home?

Détente is something for which we all hope and pray. Yet it is a long way from reality. Therefore, I submit that we should not permit American money in the form of credits to promote Russian economic advancement. We should not subsidize the Soviet military machine. We should adopt the amendment of the gentleman from Ohio.

Ms. ABZUG. Mr. Chairman, I rise in support of this amendment, which would deny most-favored-nation status and the extension of credit to the Soviet Union and other nations which deny the basic right of emigration to some of their citizens. I was an original cosponsor of Mills-Vanik and am glad to have the opportunity to support it today.

We are at the beginning of a cautious détente with the other great powers; trade and travel restrictions are gradually being relaxed; American cultural and professional groups are traveling to the four corners of the world.

This is tremendously encouraging. It leads us to hope that one day the entire world will be free of artificial barriers, since all human beings share the same small planet.

To reach this point, it is essential that we in the United States indicate what are the standards of human freedom. Different countries may be expected to hold different values, and I respect them, but some universal human rights must not be abridged. These are the freedom to choose one's place of residence and the freedom to observe one's own religious and cultural practices, for example. The United Nations Declaration of Human Rights, which just this week marked its 25th anniversary, has stood firm on these points.

Yet these rights are being denied to Soviet Jews who are now subject to exit fees, the amount depending on the extent of their education and the country to which they wish to go. Sometimes, as in the case of highly trained scientists, the amount may run into thousands of dollars.

Under these circumstances, the amendment before us and title IV of this act is the correct response.

I look forward to the time when all countries will have a free emigration policy so we may proceed with a freer trade policy.

There should be no price tag on human rights.

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

The question was taken.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, I demand a recorded vote.

Mr. WOLFF. Mr. Chairman, a point of order. The Chair did not rule on the vote, on the ayes and noes on the voice vote.

The CHAIRMAN. The Chair will state that the Chair did not rule on the voice vote. When the gentleman from Missouri rose he requested a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 319, noes 80, not voting 33, as follows:

[Roll No. 643]

AYES—319

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Ashbrook
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burton
Byron
Carney, Ohio
Casey, Tex.
Cederberg
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Derwinski
Dickinson
Diggs
Dingell
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evins, Tenn.
Fascell
Flood
Flowers
Foley
Ford, William D.
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Green, Pa.
Griffiths
Grover
Gude
Gunter
Guyer
Haley
Hanley
Hanrahan
Harrington
Harvey
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hutchinson
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Keating
Kemp
King
Kluczynski
Koch
Kuykendall
Kyros
Landgrebe
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McCormack
McDade
McKay
McKinney
McSpadden
Madden
Madigan
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Metcalfe
Mezvinsky
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nichols
Nix
O'Brien
O'Neill
Owens
Parris
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Price, Ill.
Pritchard
Quillen
Randall
Rangel
Rarick
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncallo, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Seiberling
Shipley
Shriver
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague, Calif.
Teague, Tex.
Tiernan
Towell, Nev.
Treen
Udall
Van Deerlin
Vanik
Waggonner
Waldie
Wampler
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zion

NOES—80

Andrews, N. Dak.
Arends
Armstrong
Ashley
Bowen
Bray
Brown, Ohio
Burleson, Tex.
Burlison, Mo.
Camp
Carter
Chamberlain
Collier
Conable
Davis, Wis.
Dellenback
Dennis
Devine
Evans, Colo.
Findley
Flynt
Frelinghuysen
Goodling
Green, Oreg.
Gross
Gubser
Hamilton
Hammer-schmidt
Hanna
Hansen, Idaho
Harsha
Hosmer
Jarman
Johnson, Colo.
Kastenmeier
Ketchum
Landrum
Litton
McClory
McCollister
McEwen
McFall
Mahon
Mailliard
Mallary
Martin, Nebr.
Mayne
Mazzoli
Meeds
Melcher
Mosher
Myers
Nelsen
Obey
O'Hara
Passman
Pickle
Poage
Preyer
Price, Tex.
Quie
Railsback
Rhodes
Ruppe
Ruth
Schneebeli
Sebelius
Skubitz
Steiger, Wis.
Stephens
Thomson, Wis.
Thone
Ullman
Vander Jagt
Vigorito
Whalen
Wiggins
Wright
Zablocki
Zwach

NOT VOTING—33

Abdnor
Aspin
Badillo
Burke, Calif.
Butler
Carey, N.Y.
Chisholm
Danielson
Donohue
Erlenborn
Fish
Fisher
Gray
Hansen, Wash.
Hébert
Heinz
Hunt
Macdonald
Mann
Michel
Mills, Ark.
Minshall, Ohio
Moorhead, Calif.
Patman
Rooney, N.Y.
Shoup
Stokes
Thompson, N.J.
Thornton
Veysey
Walsh
Ware
Wyatt

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. CAREY of New York. Mr. Chairman, it is with difficulty that I vote against the pending trade bill. The Committee on Ways and Means worked diligently on this complex issue. However, the failure of the bill to contain provisions encouraging and developing appropriate international mechanisms to design a position of solidarity for the oil-consuming nations, has contributed to the sorry energy state—an energy shortage for the United States that I have been warning against for several years.

The report on H.R. 10710, on page 36, paragraph 2, contains language the committee accepted at my urging. The awareness of the problem is clear, but was not translated into statutory language. I do take some comfort from the fact that the committee plans to return to this important problem of establishing a rational and equitable allocation of imported energy resources."

During discussion in committee, I have been urging that our trading partners, the EEC, Japan, and others, should discuss formally and work together to develop this consolidated oil-importing and allocation policy. This was not adopted, and unless changes are made in this bill and in our trading partners' attitudes, we will all be going to the oil bargaining table with our hat in one hand and an empty oil can in the other. Recent evidence of EEC intransigence is their final list of tariff concessions to be offered as compensation for certain ill-effects of enlarging the Common Market.

All our trading partners who import oil heavily have gone singly to the oil-producing nations, pleading with the—OPEC—for special terms—terms clearly at the expense of each other's best political and ethical interests—and certainly against those of the United States. Certainly, realization that this world energy crisis will gradually, but inevitably, affect everyone, is our No. 1 educational priority in upcoming trade discussions and conferences.

An amendment I proposed to the trade bill while in committee would have required establishment of the administrative and negotiating mechanisms necessary to cope with the expected 5-year world shortage of fossil fuels, particularly oil and gasoline. It would have established within OECD and GATT rules for negotiating for these necessary energy commodities. It could have resulted in a reasonable and, indeed, provident common position of solidarity that we and our trading partners must take with the OPEC, if we are to avoid an inevitable escalation of oil blackmail—blackmail surely turning ours from an age of geopolitics, to an age of geoeconomics.

I hope that the Senate Finance Committee, when and if the bill is discussed by them, will keep what I have said in mind. During hearings before that committee, it is my hope to testify, and remind them that the trade bill remains the sole, most likely vehicle for consolidating a common bargaining position with which to face the oil-producing nations of the world. We face a world shortage of energy. We must not let the failure of NATO to provide solidarity for our resupplying an attacked Israel, be the pattern for absolutely necessary economic solidarity.

As a member of the Ways and Means Committee's Task Force on Energy, I shall work strenuously to develop legislation that possibly can be added to the trade bill in the near future. Surely, the timing and urgency of such a move are mandatory. Such improvements in this legislation will provide the means of establishing international instrumentalities and negotiating mechanisms to facilitate a common oil-consumer position.

The trade bill before us, curiously, has about the same duration—5 years—as the projected severe world shortage of fossil fuels and energy. During this time, we, in the United States, must work to see that our research efforts are hightened

to the point where our technological and scientific leadership reassert themselves, and the world again beats a path to our doors to share in the new energy wealth we shall unleash through oil shale development, coal-gasification, nuclear, solar and geothermal energy.

At this time, there is an injurious trend which will affect all consumers, because of the oil embargo. Not until key consumer nations join together will we bring this "catch-as catch-can" and "grab-box" for of oil procurement to an end. Then only will the blackmail actions of the oil-producing nations cease against the people of this and other democratic nations.

Quite frankly, it would be preferable if we could place the necessary discretion and confidence in the President—discretion to devise the needed international systems and our role in them, and confidence that he would instill needed trust and amity in our fellow oil-consumers. However, this administration's track record on energy has been dismal-unparalleled. This administration has failed to meet long-predicted energy and fuel deficiencies across the United States—knowing that the warnings we have had in the past several years could only be harbingers of more severe energy shortages in the future.

I also hesitate to entrust this kind of mandate to a President who is so clearly politically allied with those who would seem to be involved in oil profiteering. I simply cannot condone or approve of either these failures to address the Nation's energy problems swiftly and efficiently, or expect the President to move strongly to require necessary pricing and supply responsibility and responsibleness on the part of the major oil oligopoly.

I am not and have never been a protectionist. I have always favored fair, reciprocal trade. Yet the present bill does not go quite far enough to insure that we are not trading in the jobs of American workers. Commodities and manufactures are proper media for trade; the livelihood and security of American citizens are not.

I also feel that our approach to both an increased liberalization of trade and the exportation of our technology and managerial know-how must be deliberate and hard-headed. We must continue to maintain basic and security-related industries in a healthy condition. We must continue to be secure from overdependence for certain strategic raw materials and for vital manufactured and processed items. We cannot afford to widen the areas of possible international commercial blackmail—blackmail where economic strangulation becomes a new version of Clausewitz' theory of the extension of politics to the ultimate.

Exports of further technology, plus long-term credit financing of these and other exports to the Soviet Union, China, and other controlled economies and societies, must be very carefully measured and monitored. Aside from the question of freedom of emigration for Soviet Jewry and other citizens of these nations, we must address honestly the question of exporting trade potential and jobs to nations where the worker is not only a servant, but a serf of the state. They have no control over their time, their labor, or their liberty.

It is for these reasons, Mr. Chairman, that I reluctantly vote against the pending bill, and again declare my intention to present my thinking directly to the Senate Finance Committee, when hearings begin before that panel.

Ms. ABZUG. Mr. Chairman, although I voted earlier to approve the Mills-Vanik amendments to deny most favored nation status and the extension of credit to the Soviet Union and other nations which deny the basic right of emigration to some of their citizens, I am voting against the trade bill as a whole. It has been aptly said by AFL—CIO President George Meany that "this bill is worse than no bill at all."

In opposing this legislation, I do not repudiate my belief that wherever feasible, the lowering of trade barriers and the pursuit of détente is a necessary part of a sound domestic economy, a healthy world economy and peace among nations. High tariff and nontariff barriers will eventually cost us more jobs and more economic dislocation than they will save or prevent in the immediate present. But this administration-sponsored bill is not what is needed to improve our domestic economy or to protect the living standards of millions of American working families and small businesses.

Most assuredly all sectors of our economy are going to face new challenges in the late seventies and eighties. The American workforce, our most valuable resource, will have to renew itself and accommodate to a changing world economy. The Congress cannot continue to pursue its manpower policy through simple assurances that those displaced by some economic force will be taken care of. We know for a fact that "adjustment assistance" for workers is a proven failure at meeting the damage to firms and workers and unemployment assistance is of little value to the chronic unemployed, the underemployed, and the part-time worker.

We urgently need to shape new manpower policies that at least reflect our business policy. The glaring lack of any controls over multinational corporations in this bill points out our inability or unwillingness to come to grips with the question of developing and blending a manpower and business policy.

Particularly at a time when the Nixon administration's mismanaged energy crisis is already causing mass layoffs in some industries and threatens to demand inordinate economic sacrifices on the part of working people and the millions dependent on wages or small business income, this bill offers no hope of help to workers in key industries whose jobs and security are being ruthlessly taken away from them by the huge multinational corporations that increasingly dominate our economy.

I have previously submitted detailed evidence showing how these giant corporations go wherever the profits are the greatest, setting up manufacturing and procesesing plants in low wage countries, with no concern for the plight of American workers left stranded or thrown out of work after years of employment in a company or industry.

I have introduced H.R. 241, the Foreign Investment and Multinational Corporation Control Act, which would end the administration's policy of favoritism and protection for these American-based, worldwide firms. My bill provides for increased taxation of the multinationals. It also provides for records to be kept by every U.S. shareholder in foreign corporations. It repeals the foreign tax credit allowed to corporations, and restricts the transfer of American capital and jobs to foreign nations. The unregulated power of these corporations is a major source of our current trade problems.

We have been told that the issue of the multinational corporations will be dealt with as part of a general reform of the tax code. But if we accept this promise as a substitute for legislation, we are abdicating our responsibility on this issue. We cannot vote on a promise. We must vote on the merits of the legislation before us.

My other basic reason for opposing this bill is that once again it extends virtually unlimited power to the President. After the revelations of this past year, is it reasonable to expect us to hand over such enormous power to this President, or indeed to any President? Certainly Mr. Nixon's track record of doing what is good for big business and ignoring the needs of millions of ordinary Americans gives us no cause for confidence that he will develop a trade policy beneficial to the majority of our people.

This bill fails to set any policy or provide congressional guidance for the Nation's trade policy. I recognize the need to provide our negotiators with sufficient flexibility to conduct trade negotiations, and I certainly am not proposing congressional negotiations. But we need not surrender all our prerogatives in order to allow the executive branch to conduct trade negotiations.

Under this legislation there is no assurance that the President will favor lowered trade barriers. Under this legislation, he may raise tariffs and maintain present levels of import quotas and other nontariff barriers. In fact, we have no way of knowing what he will do. Giving the President a blank check is no substitute for the constitutionally mandated congressional role. This bill is simply too vague on a number of important questions, not the least of which is the definition of nontariff barriers. This definition must be part of any congressional mandate to the President.

Although trade reform is essential if the United States is to have a meaningful role in current trade negotiations, this bill is not the way to bring progressive change.

The spectacular economic competition presented by Japan and other nations, the exploitation of cheap foreign labor, the flight of American capital abroad, and the increasing transformation of the American economy from manufacturing to service in nature have created a vulnerability in the American economy which makes necessary a rethinking of

what constitutes a free trade position. The normal position taken by free traders may no longer be viable in the face of these changed conditions. I am not agreeing that restrictive quotas are the answer, but the attempt to construct a sound trade policy must take into account the changes in the world and domestic economy and the needs of American working people, small business, and middle-income American business.

The administration continues to take half-hearted measures to deal with the energy crisis, gives higher prices to oil producers and auto manufacturers, and threatens higher taxes which would constitute a new attack on the sagging living standards of America's working people. Predictions of a major recession in 1974 and a steeply rising unemployment rate are coming from widely respected economists. We must consider what is best for the American people, and we cannot leave that decision to the President.

I agree with the advocates of this bill that drastic trade reform is needed to help us in the coming round of negotiations. I cannot, however, vote for this vague and poorly conceived bill. It should be sent back to committee to be revised, and we should reconsider it at the earliest possible date.

AMENDMENT OFFERED BY MR. CONABLE

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

The CHAIRMAN. The Chair will inquire of the gentleman, is the amendment made in order under the rule?

Mr. CONABLE. It is, Mr. Chairman. It is an amendment to strike title IV of the bill.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CONABLE: Page 129, strike out line 8 and all that follows thereafter down through line 13 on page 137.

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

Mr. CONABLE. Mr. Chairman, this amendment strikes title IV. The Jackson-Vanik amendment is now completely enshrined in this bill. I have already expressed the opinion that it is mischievous and probably counterproductive. The issue now arises as to what is the best thing to do if you believe that we should try to work something out on other than a confrontation basis with the Russians.

I believe under the circumstances the best course would be to leave the law as it is and hope something can be worked out later.

One of the reasons I am moving to strike title IV and urge support of the amendment is because it would return the law to its present status and constitute a prohibition on negotiations with the Russians regardless of whether or not the emigration tax as a device was abandoned.

I would like to say to my conservative friends on this issue that the emigration tax is only one way of controlling emigration. Suppose the Russians swallow their pride and give up the emigration tax, thus meeting the conditions precedent of the Jackson-Vanik amendment.

If you do not believe in negotiation with the Russians, you are on record as favoring the granting of the nondiscriminatory tariff and credit arrangements to the Russians assuming they get the emigration tax device out of the way. You leave the issue up to the Russians, rather than retaining control of the issue here.

To those who are anxious to avoid confrontation, we have a procedural condition which I think requires some attention, also. As you may know, at least 83 Members of the other body have cosponsored the Jackson-Vanik amendment. It is entirely probable they will also seek to attach this to any trade bill that passes through the other body. There will be nothing to negotiate about in confere if the Jackson-Vanik amendment is adopted in the same wording and in the same substance as we have adopted it during the past few minutes in this House.

If, however, we strike out title IV, there is something to negotiate, and all of the Members of this Chamber will be able to have some further input into the process. We will not be dependent entirely on what the Russians decide to do with respect to the emigration tax as a condition precedent to nondiscriminatory tariff and credit treatment in the future. To those who want to work something out so that trade is a possibility, striking title IV offers a chance, but only a chance, for more leeway in conference. If both bodies enact Jackson-Vanik in the same wording, it very, very much reduces the option to work out progress in the commercial field.

It also, I believe, places the whole thing in the hands of the other body and leaves the conferees without any opportunity to try to work something out.

Mr. HANNA. Will the gentleman yield?

Mr. CONABLE. I yield to the gentleman.

Mr. HANNA. I want to support the gentleman.

One of the reasons why I have been against the rule is I foresaw exactly this kind of a situation coming out on this particular issue in this bill. I suggest we are trying to use in this amendment the power of our trade agreements when we do not yet have any trade to speak of. It would seem to me this is trying again to utilize leverage that does not exist.

I also say that it comes at a time when it would have the worst possible effect on what is the very tenuous relationship with Russia. I would hope that we can delete this. I know what the Senator is trying to do; he is trying to test what detente is all about. But this is no way to accomplish what the Senator seeks to accomplish. I hope this amendment will carry, and we will not put this burden on this bill.

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

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

Mr. SCHNEEBELI. Mr. Chairman, I also wish to voice strong support for the adoption of the amendment offered by the gentleman from New York (Mr. CONABLE). The adoption of the Vanik amendment is counterproductive, and I think it will be a great interruption to any normal resumption of our relations with the USSR and the People's Republic of China, both on a political and on an economic basis.

Mr. CONABLE. Mr. Chairman, I thank the gentleman for his statement, and I urge the adoption of the amendment striking title IV.

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

Title IV authorizing the President to extend nondiscriminatory treatment to certain Communist countries was requested by the President when he transmitted the proposed Trade Reform Act of 1973 to the Congress. Officials of the administration testified in favor of this title. Administration officials worked with the committee in mark-up session in rewriting and perfecting this title into responsible legislation.

As reported, this title establishes congressional guidelines for handling our tariff and trade relations with state trading nations, most of which do not participate in international organizations of trade cooperation such as the GATT. Title IV provides congressional guidance to the President that is needed unless Congress is to continue to have no say in these matters.

As I indicated previously, the administration had to be aware that the issue of the extension of nondiscriminatory treatment to the Soviet Union had to be linked to the issue of freedom of emigration by the introduction of the Mills-Vanik amendment on freedom of emigration and East-West trade and sponsored by over 280 Members of this House.

I would add that the President's letter to the Speaker of last week is the first and only formal request this House has received to drop title IV from the bill.

It is requested that we delay action on these provisions in order that they can be taken up at a later date. We have already granted far too much accommodation to the administration in scheduling this legislation. Let us move forward with this provision and if the basic conditions surrounding the issues of title IV change, let the President propose amendments to these provisions as they appear desirable at the time.

It has been said that the President proposes and the Congress disposes. I think that is appropriate guidance in this instance, and I urge Members to defeat the amendment deleting title IV from this bill.

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

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

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

Mr. VANIK. Mr. Chairman, I thank the gentleman for yielding me this time.

The amendment offered by the gentleman from New York to strike this title would, I suggest, negate the action taken by the House a moment ago on the amendment that was before the House. If this action is taken, if the amendment is agreed to, it would permit an

unrestricted flow of trade to the Soviet Union or anyone else without regard to freedom of immigration or any other issue.

Mr. Chairman, I urge the defeat of the amendment offered by the gentleman from New York (Mr. CONABLE).

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

Mr. ULLMAN. I yield to the gentleman from Illinois.

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

[Mr. FINDLEY addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

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

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

Mr. WYLIE. Mr. Chairman, I would like to ask the gentleman from Oregon a question. As I understand the amendment offered by the gentleman from New York (Mr. CONABLE) it would allow present law to remain in effect which denies most-favored-nations treatment to Communist countries; is that correct?

Mr. ULLMAN. The gentleman is correct.

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

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

Mr. MAYNE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York (Mr. CONABLE).

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

Mr. MAYNE. Mr Chairman, I rise in support of the amendment proposing to strike title IV.

Title IV as presently amended will substantially weaken the Trade Reform Act. It will endanger our improved relationship with the Soviet Union which is so important for the preservation of world peace. The policy of détent has already achieved very tangible results for our country and for the free world. Should we now run the risk of jeopardizing it by inserting into a trade bill the gratuitous discriminations against the Soviet Union which are contained in title IV?

I believe the purpose of a good trade bill should be to liberalize and increase opportunities for trade with all countries, and that certainly should include trade between the two superpowers. A trade bill should not be used as a lever for exerting pressure on matters entirely unrelated to trade against a trading partner of great potential. I say we are playing a dangerous game if we assume the Russian bear will not strike back at this crude attempt to dictate the internal policies of a sovereign nation.

I fervently share the hope that the Soviet Union will extend greater freedom to all its citizens, and will liberalize its emigration policy, especially as it affects Soviet Jews. But these worthy objectives should be pursued through legitimate diplomatic negotiations rather than through the discriminatory language now contained in title IV as amended. I fear that those who hope to bludgeon the Russians into acquiescence through this maneuver may well find they have produced an opposite and counterproductive result.

Title IV originated from a U.S. commitment to the Soviet Union made as part of the trade agreement signed by the two countries on October 18, 1972. In that agreement, the Nixon administration pledged to seek legislation extending most-favored-nation status to the Soviet Union, and the Russians agreed to settle U.S. claims against them for lend-lease aid during World War II. The Soviets agreed to pay $772 million in installments, and it has already paid the first two installments. Its next installment due July 1, 1974, and subsequent installments in settlement of these claims were to be subject to the U.S.S.R.'s attaining most-favored-nation status.

Title IV of the present bill would authorize the Presdent to extend the application of most-favored-nation tariff treatment to the products of countries not now eligible, subject to veto by either the House or Senate within 90 days, for a period of 3 years at a time. From 1923 to 1951, the United States extended most-favored-nation status on a reciprocal basis to all other countries, without strings—Soviet Russia enjoyed this status from 1933 on. In 1951, the Trade Agreements Act of 1951 denied most-favored-nation to nations dominated by communism, but later most-fovored-nations was again extended to Yugoslavia and Poland, the only Communist countries currently enjoying that status.

But the House Ways and Means Committee amended title IV, tying extension of most-favored-nation status to any previously ineligible country—in other words, all the Communist countries except Poland and Yugoslavia—to the President's determining and reporting to Congress every 6 months that the particular country did not deny its own citizens the right or opportunity to emigrate, did not impose more than a nominal tax on emigration or on documents required for emigration, and did not impose more than nominal taxes, fines, or other charges on its citizens in consequence of their desire to emigrate to another country.

It might well be asked whether the many non-Communist countries whose exports have most-favored-nation status might not have difficulty meeting the standards that the committee proposes for the U.S.S.R. and other nonmarket countries. The committee's restrictions on providing most-favored-nation status to the U.S.S.R. certainly would appear to breech the administration's October 18, 1972, agreement with the Soviet Union, would give it an excuse for discontinuing its installments to settle the lend-lease claims, and would erode rather than strengthen détente. However, the leaders of U.S.S.R. might be inclined to ignore the slight, in the interest of increasing East-West trade; inasmuch as immediate granting of most-favored-nation would affect the price of very few Soviet goods now sold in the United States.

Far more serious and dangerous to future international trade and relations is the Vanik amendment would prohibit title IV. This amendment would prohibit credits for trade with a Communist country unless it has been determined that the nation does not restrict emigration of its citizens. Denial of access to Export-Import Bank and CCC credits and loan guarantees would greatly imperil both political and economic relations between the Soviet Union and the United States. The U.S.S.R. needs credits and loan guarantees for large trade transactions with any country, including the United States. The effect of the Vanik amendment to title IV is to deny future trade with U.S.S.R., the People's Republic of China, and the other Communist bloc nations.

Détente did not create repression within the U.S.S.R.—rather the administration's pressures through diplomatic channels and otherwise under the détente prompted the Soviet Government to suspend its head taxes on emigration of many Soviet Jews, to permit emigration of certain hardship cases, and to allow an unprecedented emigration of 30,000 Soviet Jews a year. More have been allowed to emigrate from the Soviet Union in the last two years than in all the previous 40 years together. Far more has been accomplished by quiet diplomacy than could ever be accomplished by placing unpredented conditions upon granting of most-favored-nation or than could be accomplished by restricting the credits essential to expanding trade. The Vanik amendment is impractical, and its adoption makes it imperative that title IV as amended be deleted from the bill.

Domestic repression is deplorable, but this bill is not an appropriate vehicle for attempting to change the situation. The benefits which détente and the normalization of commercial relations offer for the majority of the world's citizens and in the long run for those suffering under totalitarian regimes far outweigh any immediate disadvantages of the arrangement. Even in the short run, the restrictions contained in title IV as amended could well increase rather than lessen the difficulties of the Soviet Jews and other oppressed minorities.

An escalation of East-West tension over emigration policies will likely spur Soviet resentment and heighten domestic repression, perhaps with reimposition of the head taxes on emigrants, rather than cause relaxation in discrimination. In the past, détente has contributed to liberalization within governmental structures in Eastern European countries, and we have every reason to believe that the same result may obtain in the Soviet Union.

This Trade Reform Act is urgently needed, and must be speedily enacted if the best interests of American workers, producers, farmers, and consumers are to be served. It is needed to enable the administration to deal more promptly, effectively and fairly with import problems. Passage of this trade legislation would contribute significantly to establishing international confidence that is essential to all efforts to strength the interdependent world economic structure so vital to America's well-being.

As President Nixon said in his April

10, 1973, message submitting the Trade Reform Act to the Congress:

The Act can mean more and better jobs for American workers.

It can help American consumers get more for their money. It can mean expanding trade and expanding prosperity for the United States and for our trading partners alike. More importantly, these proposals can help us reduce international tensions and strengthen the structure of peace.

The President further stated:

This legislation would help us to:

Negotiate for a more open and equitable world trading system;

Deal effectively with rapid increases in imports that disrupt domestic markets and displace American workers;

Strengthen our ability to meet unfair competitive practices;

Manage our trade policy more efficiently and use it more effectively to deal with special needs such as our balance of payments and inflation problems; and

Take advantage of new trade opportunities while enhancing the contribution trade can make to the development of poorer countries.

The world is embarked today on a profound and historic movement away from confrontation and toward negotiation in resolving international differences. Increasingly in recent years, countries have come to see that the best way of advancing their own interests is by expanding peaceful contacts with other peoples. We have thus begun to erect a durable structure of peace in the world from which all nations can benefit and in which all nations have a stake.

This structure of peace cannot be strong, however, unless it encompasses international economic affairs. Our progress toward world peace and stability can be significantly undermined by economic conflicts which breed political tensions and weaken security ties. It is imperative, therefore, that we promptly turn our negotiating efforts to the task of resolving problems in the economic arena.

The Trade Reform Act, especially if the Conable amendment striking title IV were to be adopted, will provide President Nixon and our negotiating teams with the tools to meet this challenge. It will equip them so that they can work to create a new economic structure that will indeed help and not hinder the world's historic movement toward peace. A unique set of factors on the Soviet domestic scene and in the international arena have allowed for détente at this time. If the United States now balks, the likelihood that such an opportunity will reappear is very small, and there may well be a return to the mutual hostility and recrimination of cold war years, not only in United States-U.S.S.R. relations but also in our relations with China and all Eastern Europe. Enactment of the Trade Reform Act will help maintain the momentum toward a more open international economic order contributing significantly to world harmony.

The fact that the world in 1973 is generally a "sellers" market, with strong demand and good prices, should not deceive us into complacency. We must continue to pursue policies that favor liberal trade and the continued growth of our export markets. Otherwise, when conditions change, we may find ourselves in a world of shrinking trade—a world split into economic blocs where trade is restricted and state trading prevails. This is a real possibility unless we find a way to negotiate toward a more open trading world. As I said yesterday, that is the purpose of the Tokyo round of multilateral trade negotiations under the General Agreement on Tariffs and Trade—GATT.

Many months of hard work have gone into preparations for the Tokyo round, which is now technically underway in Geneva. It is important that this negotiation go forward positively in the coming year. It is important that the world's trading differences be negotiated under the GATT jurisdiction, rather than being fragmented into a host of smaller negotiations that would expend much time and energy and produce little. That is why U.S. policy has been to push strongly for a successful GATT negotiation—to seek a reduction in border protection and other trade limiting devices around the world. This bill will greatly strengthen our ability to carry through with these negotiations.

As Secretary Earl Butz said yesterday in Indianapolis, a vigorous and growing export market is vital to an economically sound and prosperous agriculture. We currently export nearly three-fourths of our wheat, half of our soybeans, one-fourth of our feed grains, more than one-third of our cotton and tobacco, two-thirds of our rice, half of our cattle hides.

Farm exports for fiscal 1973 totaled $12.9 billion. This equalled our production from one out of every four harvested acres and was about one-fifth of farmers' yearly cash receipts from marketings. It is estimated that farm exports will exceed $19 billion in fiscal 1974.

Secretary Butz very accurately warned that without strong export outlets for our products, farm income would plummet. Rural America would suffer disastrously, and more and more rural people would be forced to migrate to the cities. Millions of workers employed in the industries related to agriculture—farm suppliers, handlers, transporters, processors, and merchandisers—would flood the labor market looking for work if we were to lose our farm export market. Nearly 40 percent of our work force is involved directly or indirectly in agriculture and its products.

Loss of our farm export market would make it necessary to cut farm production by nearly one-fifth in order to avoid tremendous waste and avert a farm depression. It would also eliminate about one-fifth of all agriculturally related jobs. That loss would amount to 8 percent of the Nation's work force—which could triple unemployment in this country.

I commend Secretary Butz' entire address delivered yesterday to the Indiana Farm Bureau to my colleagues for their consideration, and will ask permission that its text be set forth in full in the Extension of Remarks section of today's RECORD.

Like Secretary Butz I favor open trade which fits our competitive, incentive economy, and this bill, the Trade Reform Act of 1973, will increase the opportunities for more open trading. This will encourage more effective use of our resources and let the law of comparative advantage function—production will occur where goods can be produced most efficiently. This will in the long run insure a higher standard of living for people in this country and throughout the world.

Passing this bill will help our Government keep agricultural and industrial trade negotiations firmly hitched together. This is essential if we are to defeat the efforts of Japan and the Common Market countries to protect their highly subsidized agricultures by negotiating the industrial and agriculture sectors separately. We must not repeat the mistake we made in the Kennedy round of agreeing to such a separation and seeing barriers on manufactured goods lowered while our farm products are again barred from Western Europe, Japan, and other markets. Sufficiently open trading can be achieved only if agricultural and industrial trade negotiations are considered together.

It is of critical importance that we strengthen the hand of our representatives at the seventh round of negotiations, under the general agreement on tariffs and trade presently underway at Geneva, so that they may accomplish these very worthy goals. I, therefore, urge my colleagues to join me in voting "aye" on final passage, whether or not the unwise and probably unproductive provisions of title IV then remain in the bill.

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

Mr. ULLMAN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. CONABLE).

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

[Mr. YATES addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

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

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

Mr. BLACKBURN. Mr. Chairman, I thank the gentleman for yielding to me at this time.

Mr. Chairman, I oppose the amendment offered by the gentleman from New York (Mr. CONABLE) because the fact is that the action to be taken under this amendment would negate the effect of the overwhelming sentiment just expressed by the House in the last vote. I suggest that if we are going to retain the benefits of the last amendment that we vote against the amendment offered by the gentleman from New York (Mr. CONABLE).

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

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

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

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

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in strong support of the

amendment offered by the gentleman from New York (Mr. CONABLE). I would like to say that it is not accurate to contend that if we should strike title IV from the bill that it would in fact negate the last amendment we just voted on.

The result would be the restoration of present restrictions on trade with the Soviet Union, which already prohibits them from receiving most-favored nation tariff treatment.

I support this amendment because I believe that passage of title IV as it now stands will cause us to lose considerable leverage in our current negotiating position with the Soviets. This will be the case not only in trade, but in the whole complex of strategic, political and economic interests in which we both have a stake.

Furthermore, I am disturbed by the consequences which this title may have on the Soviet Jews and others who must, or who choose to, remain in the U.S.S.R. Our action may encourage the Soviets to substitute indirect forms of harassment for their direct emigration restrictions. This would be a result we should all wish to avoid.

Additionally, I think it unproductive that we should attempt to dictate, through our legislative action, the domestic policies of another country.

For these reasons, I strongly advocate striking this title. We should take up the issue at a later date when world political and emotional tensions have lessened. By pursuing this course, we would not risk jeopardizing the major purpose of this important bill.

Mr. ULLMAN. Mr. Chairman, I yield to the gentleman from New York (Mr. REID).

Mr. REID. I thank the gentleman for yielding.

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

Mr. REID. Mr. Chairman, I rise in support of the Vanik amendment on freedom of emigration and in opposition to the amendment to strike title IV, including the Vanik language. I would point out to the Members of this body that the Soviet Union in 1969 signed the Convention on Racial Discrimination, a binding treaty guaranteeing in article 5 the right of any citizen to leave his country. They have never honored it, and, in my view, this is no time to put economic expediency above the right to emigrate or human rights. I commend the position the gentleman has taken.

I urge my colleagues to support inclusion of the Vanik language, including the denial of credits and credit guarantees to any nation which—

First, denies its citizens the right to emigrate;

Second, imposes more than a nominal tax on emigration or on the visas or other documents required for emigration; or

Third, imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice.

We have seen the hardship that such a policy causes to hundreds of thousands of citizens. Let us do what we can, as representatives of the American people, to bring an end to this policy of repression and discrimination.

Mr. ULLMAN. I yield to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. I thank the gentleman for yielding.

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

Mr. LEHMAN. Mr. Chairman, I rise in support of title IV of the Trade Reform Act. Title IV is the section dealing with freedom of emigration for Soviet Jewry.

I was proud to be one of the original cosponsors in this Congress of the Jackson-Mills-Vanik legislation to prohibit most-favored-nation trade concessions and trade credits to any country which limits freedom of emigration.

As introduced in the House, this bill would additionally require the President to report to Congress every 6 months that recipients of American trade concessions did not restrict freedom of emigration. Concessions would have to be terminated if a country were to reimpose emigration restrictions.

Congress has moved to restore the moral basis for our foreign policy by strongly supporting the Jackson-Mills-Vanik legislation. It now has the endorsement of 362 of our highest elected officials—285 Congressmen and 77 Senators.

The recent Mideast war has served only to strengthen the determination of Congress to see that the Soviet Union does not receive special economic favors from the United States until it shows a greater willingness to act humanely toward Jews and other minorities living within its borders and toward the goal of world peace.

The Vanik amendment would restore to the legislation the prohibition on granting trade credits to those countries which restrict emigration.

The Soviet Union has already received hundreds of millions of dollars in trade credits, mostly for American wheat. Billions of dollars more in trade credits are planned.

Many friends have written me to say "no more wheat deals." When Americans who borrow money to buy homes or send their children to college must pay 10 percent interest, why should we allow the Russians billions of dollars in trade credits at reduced interest rates?

The policy of the Soviet Union regarding the basic rights of Jews and other minorities within its territory is well known. Freedom of religion is strictly limited. Jewish schools, books, newspapers, plays, films, and all other forms of cultural expression are forbidden. Russian Jews who declare their wish to return to their traditional homeland are immediately fired from their jobs and are subject to every conceivable form of harassment including imprisonment.

This is a systematic pattern of repression against tens of thousands of individuals who seek only to build a new life for themselves in Israel and who are depending upon our support in their struggle for freedom.

The Soviet Union claims that many of those denied permission to leave are individuals involved in matters of state security. This is merely a pretext to deny emigration to hundreds of scientists and prominent personalities in the arts who have had no contact with classified information, or in a few cases dealt with secret material 15 to 25 years ago. These people are kept as virtual hostages as an example to deter others from applying for exit visas.

The announcement that the notorious exit tax is no longer being enforced is no evidence of a Soviet change of heart. History has shown us that the Soviet Union enforces and then ignores its own exit tax statutes whenever it hopes to win a particular favor from the West. Does anyone seriously believe that Russian Jewry would be safe from the reimposition of the "ransom" tax once the Soviet Union received the unrestricted trade concessions it now seeks?

As long as Russia restricts freedom of religion, freedom of thought, freedom of expression, and freedom of movement, it cannot be counted as a responsible member of the family of free nations.

Détente will not automatically make Russia our friend, as the Mideast war has shown. The basic conflict between the Russian and American ways of life will never be resolved as long as Russia persists in its suppression of individual liberties.

It is one thing to sit down and talk with your opponent and it is another to offer him aid and comfort. In the interest of détente we should talk with Russia, but in the interest of freedom we must not give Russia most-favored-nation status, trade credits, or loan guarantees until freedom of emigration is guaranteed.

Only when the Soviet Union grants visas to the more than 100,000 persons who wish to leave, only when it stops using the excuse of state security to prevent the departure of prominent individuals, and only when it allows free emigration from all areas of Russia including the major population centers of Moscow, Leningrad, Kiev and Odessa, should we consider granting the Soviet Union special trade concessions.

During this past summer I visited the Jewish refugee center in Vienna. A few months ago, Austria agreed to yield to Arab terror and ordered the center closed. The solution to this problem is simply to have the Soviet Union allow Israeli planes to carry Soviet Jews directly from Russia to Israel. With the enactment of the Jackson-Mills-Vanik section of the trade bill, the Soviets may be encouraged to allow direct flights to Israel as they seek to comply with the terms of the legislation.

Although the administration has opposed the Jackson-Mills-Vanik legislation in the past, I call upon President Nixon to support it now. Our Nation must stand firm against the restrictive and aggressive policies of the Soviet Union. We cannot accept "détente at any price" and must never agree to bargain with human rights.

Mr. ULLMAN. I yield to the gentleman from Illinois (Mr. COLLIER).

Mr. COLLIER. I thank the gentleman for yielding.

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

Mr. COLLIER. Mr. Chairman, I should like to point out to at least those who supported the position of my colleague, the gentleman from Georgia, Mr. BLACKBURN) that what the Members are actually doing here is saying that if the Soviet Union does comply with what we all feel is a desirable emigration policy, then they would be allowed most-favored-nation trade and the credits that are involved in the amendment we just voted on.

Mr. BROWN of Ohio. Mr. Chairman, I rise in support of the Conable amendment to strike title IV.

Wherever we turn—steel, petroleum, timber, sugar, grain, metals, fertilizers—we are finding the world's resources stretched more tightly than before to provide the growing world population with the rising standards of living they seek.

The world needs to use its scarce resources more efficiently. We are currently struggling with an energy crisis—which has been merely aggravated by the Arab oil embargo. The fundamental crisis is that we are using energy up more rapidly than we are discovering new energy resources.

The world's stocks of food commodities are at low levels—partly because of poor crops in several regions of the world in 1972, but even more importantly because of the rising incomes of the world's peoples and their demonstrated desire to improve their standards of eating. Agricultural production is thus at a higher premium than at any time in recent decades.

Freer trade can make a real contribution in this time of rising demand through using our resources more efficiently.

That is really what the Trade Reform Act of 1973 is all about. It would continue the world's long-term effort to lower trade barriers and allow goods and services to move more efficiently across national borders.

No modern economy in the entire world today is self-sufficient. We are all dependent in some degree on imports. In the United States, for example, there are many things which we cannot effectively produce at all—raw materials like tin, foodstuffs like coffee and bananas.

There are many additional items that other nations are set up to produce more efficiently. Their specialties range from high-technology cameras and electronic components to little hand-made toys and kitchen gadgets. We can import these items more cheaply than we can make them ourselves. The higher our standard of living goes, the less self-sufficient we become. These are the reasons that imports are becoming more and more important to us.

By the same token, there are many things that the United States does well. We are the world's leading producer of such high-technology items as computers, machine tools, and jet aircraft. We are also the world's largest exporter of farm products. Thus other countries are depending more and more heavily on the United States for the food to feed themselves, for equipment to run their industries efficiently, and for the aircraft to link their cities together.

Freer trade makes it possible for Americans to live better.

At the same time, it permits the other peoples of the world to live better.

We are all better off because we take fuller advantage of the special resources, and abilities of each country and each people.

With the rising demands being made on the world's resources, freer trade becomes more and more important to all of us.

I am sure that Americans are more vividly aware of the importance of imports—and of exports to pay for them—than at any time since our colonial days.

We have been forcefully reminded that we do not produce enough energy right now to meet even our current requirements, let alone enough to meet our economic growth needs for the next few years.

Export buyers are bidding higher for our farm output than they have in the past—and it is fortunate that they are. I shudder to think where the value of the U.S. dollar would stand today without the $5 billion improvement in our net agricultural trade balance this year over last. The increasing price of our oil imports alone is likely to cost more than $3 billion extra last year, even assuming we can get them. Although the increased bidding for our farm products by overseas buyers has contributed to a sharp increase in U.S. food prices, the earnings from our farm exports have kept us afloat.

Freer trade has been a goal of the United States at least since the disastrous tariff wars of the 1920's—the tariff wars that helped to bring on the Great Depression.

Freer trade takes on even greater importance today as we try to use our resources more effectively. It is the one thing we can count on consistently to make what we have go further.

Let me give you just one example, from the field of agriculture. By coincidence, agriculture is one of the areas where we have made the least progress in lowering trade barriers, and it is also one of the areas where the U.S. comparative advantage is greatest.

In recent years, while the United States has been idling farming resources because we have not had markets for all of our productive capacity, the Europeans have been protecting their farmers with a high variable levy and very high grain prices. The effect has been to make meat a high-priced item for Europeans.

As a result, Europeans have not been able to afford as much meat as they wanted. At the same time, U.S. farmers have been deprived of a consistent market for the output from some of their acres. Both sides have been less well off.

In the future, if the Europeans shifted their farming resources more heavily into caring for livestock—and opened their borders to grain imports from other countries—they could provide good incomes for their farmers and more reasonable meat prices for their consumers. We would benefit in the United States because it would allow our farmers to gear up more of the productive power they have been holding in reserve. We could earn more foreign currency to pay for the things we import, and still have plenty of farm products for our own people.

That is how freer trade is supposed to operate. That is how it can help us toward a higher standard of living. That is how it can provide jobs in the American economy, and help people overseas at the same time.

That is why I believe the Congress should pass the Trade Reform Act of 1973, and give our negotiators a strong tool with which to move the whole world forward to freer trade and better living.

Mr. RANDALL. Mr. Chairman, I rise in opposition to the amendment sponsored by the gentleman from New York (Mr. CONABLE). This amendment would strike title IV, the authority to extend most-favored nation treatment in imports from Communist countries, from the bill. A vote against the Conable amendment is a vote for retention of title IV. As presently written, title IV ties the conferral of most-favor nation status to emigration policies.

Mr. Chairman, authentic negotiations, be they contract negotiations, or trade negotiations, always involve give and take on both sides. From its past performance in dealing with the Russians, this administration fails to realize this simple fact of life.

I for one happen to be tired of seeing us give all the time without demanding any concession in return. The two most important series of negotiations we've had with the Soviets—those leading to the Salt treaty and those resulting in the wheat deal—both seemed to involve all giving on the part of the United States, but very little taking. There is substantial evidence that the much acclaimed Salt treaty may have perilously jeopardized our strategic force posture vis-a-vis that of the U.S.S.R.

Numerous reports now indicate the Soviets are seeking a clear-cut superiority in the quality of ballistic missiles rather than parity. We left the door wide open for this development by agreeing to a freeze on ICBM's, in which we are numerically inferior, without a companion clause limiting development of MIRV capability.

Then the debacle of the Russian wheat deal is too well known to warrant extensive comment. The Americans ended up subsidizing the Russians to the tune of about $400 million. The American consumer and the American farmer are still suffering from the fallout of the grain deal. In some places flour prices increased to the baker by 100 percent.

If we pass this bill without title IV, we will be putting our stamp of approval on future "deals" such as the Salt treaty and the grain sale. We will be giving unqualified approval to negotiations where the United States does all the giving and no taking. We will be saying to the Russians, "We guarantee all your import needs for the next few years, even if it means there will be no bread on American tables, in fact we will sell you all you need on credit."

We ought to demand a quid pro quo in all our negotiations with every country but particularly a country with a recent record of over-producing us—such as the Soviet Union. For this reason, we ought to reject the Conable amendment.

The CHAIRMAN. The time of the gentleman has expired.

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

The question was taken; and the Chairman announced that the "noes" appeared to have it.

RECORDED VOTE

Mr. CONABLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 106, noes 298, not voting 28, as follows:

[Roll No. 644]

AYES—106

Alexander
Andrews, N. Dak.
Arends
Ashley
Bennett
Bowen
Bray
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Burleson, Tex.
Burlison, Mo.
Camp
Carter
Chamberlain
Chappell
Cochran
Collier
Conable
Davis, Wis.
Dellenback
Denholm
Dennis
Devine
Dickinson
Duncan
Edwards, Ala.
Eshleman
Findley
Flowers
Flynt
Frelinghuysen
Gibbons
Goodling
Green, Oreg.
Gross
Gubser
Hamilton
Hammer-schmidt
Hanna
Hansen, Idaho
Harsha
Hastings
Hechler, W. Va.
Hinshaw
Hosmer
Hutchinson
Jarman
Johnson, Colo.
Kastenmeier
Keating
Landrum
Litton
Lott
McClory
McCollister
McEwen
McKay
McSpadden
Mahon
Mailliard
Mallary
Martin, Nebr.
Mayne
Milford
Mink
Montgomery
Mosher
Moss
Myers
Nelsen
Obey
Passman
Patman
Poage
Powell, Ohio
Price, Tex.
Quie
Rhodes
Roberts
Robison, N.Y.
Ruppe
Ruth
Schaeebeli
Sebelius
Sikes
Skubitz
Stanton, J. William
Steiger, Wis.
Stephens
Symington
Teague, Tex.
Treen
Van Deerlin
Vander Jagt
Vigorito
Waggonner
Ware
Whalen
Whitten
Wiggins
Wilson, Bob
Wylie
Young, Fla.
Zablocki
Zwach

NOES—298

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashbrook
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Broyhill, N.C.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burton
Byron
Carney, Ohio
Casey, Tex.
Cederberg
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Dent
Derwinski
Diggs
Dingell
Dorn
Downing
Drinan
Duleski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Flood
Foley
Ford, William D.
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Green, Pa.
Griffiths
Grover
Gude
Gunter
Guyer
Haley
Hanley
Hanrahan
Harrington
Harvey
Hawkins
Hays
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Hogan
Holifield
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Landgrebe
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lujan
McCloskey
McCormack
McDade
McFall
McKinney
Macdonald
Madden
Madigan
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Minish
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nichols
Nix
O'Brien
O'Hara
O'Neill
Owens
Parris
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Seiberling
Shipley
Shriver
Shuster
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague, Calif.
Thomson, Wis.
Thone
Tiernan
Towell, Nev.
Udall
Ullman
Vanik
Waldie
Wampler
White
Whitehurst
Widnall
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zion

NOT VOTING—28

Abdnor
Aspin
Burke, Calif.
Butler
Carey, N.Y.
Danielson
Donohue
Erlenborn
Fish
Fisher
Gray
Hansen, Wash.
Hébert
Heinz
Hunt
Mann
Michel
Mills, Ark.
Minshall, Ohio
Moorhead, Calif.
Rooney, N.Y.
Shoup
Stokes
Thompson, N.J.
Thornton
Veysey
Walsh
Wyatt

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. DANIELSON. Mr. Chairman, at the time the votes were taken on the Vanik and Conable amendments to the Trade Reform Act of 1973, I was unavoidably absent attending a meeting at the White House. Had I been present for roll No. 643, the Vanik amendment to deny the extension of credits to nations which deny or infringe the right to emigrate, I would have voted "aye." Had I been present for roll No. 644, the Conable amendment to strike title IV of the act, I would have voted "no."

As assistant majority whip, I knew before I left the floor that my vote would not be necessary to assure the adoption of the Vanik amendment or to retain title IV of the act. I very much support the concept of free emigration embodied in the Vanik amendment and title IV, and long ago I joined with Mr. VANIK and Mr. MILLS in sponsoring H.R. 3912, which would have accomplished the same goals.

Mr. ULLMAN. Mr. Chairman, there are no further committee amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, 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. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the ceonomic growth of the United States and for other purposes, pursuant to house resolution 657, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

The question is on the amendment.

The amendment was agreed to.

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

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

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

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—ayes 272, noes 140, not voting 20, as follows:

[Roll No. 645]

AYES—272

Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Archer
Arends
Armstrong
Ashley
Aspin
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Blatnik
Boggs
Bolling
Bowen
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Camp
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conte
Corman
Coughlin
Crane
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
Diggs
Dorn
Downing
Drinan
Duncan
du Pont
Edwards, Ala.
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton
Fuqua
Gettys
Gibbons
Gilman
Ginn
Goldwater
Goodling
Green, Oreg.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammer-schmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Harvey
Hastings
Henderson
Hillis
Hinshaw
Hogan
Holifield
Holt
Horton
Hosmer
Hudnut
Hutchinson
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.

Jones, N.C.
Jones, Okla.
Karth
Kastenmeier
Kazen
Keating
Kemp
Ketchum
King
Koch
Kuykendall
Landgrebe
Landrum
Latta
Leggett
Lehman
Lent
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McEwen
McFall
McKay
McKinney
Madigan
Mahon
Mailliard
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Mezvinsky
Milford
Miller
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Mosher
Myers
Natcher
Nelsen
Nichols
Obey
O'Brien
O'Neill
Parris
Passman
Pettis
Peyser
Pickle
Pike
Powell, Ohio
Preyer
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Roush
Rousselot
Roy
Ruppe
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Shriver
Shuster
Sikes
Sisk
Skubitz
Smith, Iowa
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Talcott
Taylor, N.C.
Teague, Calif.
Teague, Tex.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Waggonner
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Winn
Wolff
Wright
Wydler
Wylie
Young, Fla.
Young, Ill.
Young, S.C.
Zablocki
Zion
Zwach

NOES—140

Abzug
Adams
Addabbo
Andrews, N. Dak.
Annunzio
Ashbrook
Badillo
Barrett
Biaggi
Boland
Brademas
Brasco
Bray
Breaux
Brooks
Burke, Mass.
Burlison, Mo.
Burton
Byron
Carey, N.Y.
Carney, Ohio
Carter
Chisholm
Clark
Clay
Collins, Ill.
Conlan
Conyers
Cotter
Cronin
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Dingell
Donohue
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Flood
Ford, William D.
Froehlich
Gaydos
Giaimo
Gonzalez
Grasso
Green, Pa.
Gross
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holtzman
Howard
Huber
Hungate
Ichord
Johnson, Calif.
Jones, Tenn.
Jordan
Kluczynski
Kyros
Litton
Long, La.
Lujan
McDade
McSpadden
Macdonald
Madden
Melcher
Metcalfe
Minish
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
O'Hara
Owens
Patman
Patten
Pepper
Perkins
Poage
Podell
Price, Ill.
Randall
Rangel
Rarick
Rinaldo
Rodino
Roe
Roncalio, Wyo.
Rosenthal
Rostenkowski
Roybal
Runnels
Ryan
St Germain
Sarbanes
Seiberling
Shipley
Slack
Snyder
Staggers
Stanton, James V.
Stark
Steele
Stratton
Stubblefield
Studds
Sullivan
Symington
Taylor, Mo.
Tiernan
Vanik
Vigorito
Waldie
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.

NOT VOTING—20

Abdnor
Burke, Calif.
Erlenborn
Fisher
Gray
Hanna
Hébert
Heinz
Hunt
Michel
Mills, Ark.
Rooney, N.Y.
Shoup
Smith, N.Y.
Stokes
Thompson, N.J.
Veysey
Walsh
Wiggins
Wyatt

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Rooney of New York against.

Mr. Fisher for, with Mr. Thompson of New Jersey against.

Mr. Gray for, with Mr. Stokes against.

Until further notice:

Mr. Hanna with Mr. Smith of New York.
Mr. Mills of Arkansas with Mr. Michel.
Mrs. Burke of California with Mr. Shoup.
Mr. Heinz with Mr. Abdnor.
Mr. Hunt with Mr. Wiggins.
Mr. Erlenborn with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

[Mr. CAREY of New York addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

[Ms. ABZUG addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed and the amendments thereto.

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

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. GONZALEZ. Mr. Speaker, my remarks of Thursday, as printed in the RECORD at page 10809, were inaccurately reported, and I desire to correct the permanent RECORD, so that the opening paragraph of my statement reads as it was rendered. An accurate rendering of that paragraph would be:

I rise out of a sense of protest and quite a bit of bitterness, because a Member is required to beg and grovel for even 1 minute of time to be heard on this momentous matter, simply because of a desire to meet television deadlines. This desire to serve the networks instead of our duties is a reflection of how carelessly this whole proceeding has been carried out.

PERSONAL ANNOUNCEMENT

Mr. BUTLER. Mr. Speaker, I was away from the House on committee business at the time of the vote on the Trade Reform Act of 1973. Had I been present, I would have voted "yea" on the Vanik amendment and "nay" on the Conable amendment.

PERSONAL ANNOUNCEMENT

Mr. FISH. Mr. Speaker, during consideration of amendments to the Trade Reform Act of 1973, I was absent from the Chamber on a committee assignment. Had I been present, I would have voted "yea" on the Vanik amendment and "nay" on the Conable amendment.

HOUR OF MEETING ON WEDNESDAY, DECEMBER 12, 1973

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 o'clock a.m., tomorrow, Wednesday, December 12, 1973.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, in this mad stampede to consider legislation after the lost time earlier this session, can the gentleman at this time give the House any indication as to when next week we may adjourn the first session of the 93d Congress sine die?

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, I will give him an answer to the best of my ability. I am sure the gentleman is aware of the program for the remainder of the week. We are going forward today with the emergency security assistance to Israel and Cambodia, and following that with the foreign aid appropriations. We hope to conclude those bills today. Tomorrow it is planned we will bring up first thing the National Emergency Energy Act if it gets a rule today. As the gentleman knows, ours is a different bill than the one which has already passed the Senate.

The one thing that I can see that would be holding us up from adjournment next week would be the conference on the energy bill.

Mr. GROSS. I am concerned—I do not know about other Members of the House but speaking only for myself I am concerned about whether we are going to be in session at the end of next week and will have to cancel airplane reservations that will be very difficult to reestablish. In other words, are we going to adjourn at the end of next week in the midst of or perhaps after the Christmas traffic has started?

Mr. O'NEILL. All I can say to the gentleman is that I have my own reservations for the 20th and I hope I am able to keep them. The main item that will be preventing the House adjourning is the conference on the energy bill because of the variations and differences between the bills passed by the two Houses. There will be many other conference reports coming back. We want to get the energy bill done so we can give the Committee on Interstate and Foreign Commerce an opportunity to work on it in conference.

Mr. GROSS. With the gentleman's statement that he has reservations for

In July 1973, the Secretary determined that ferrous scrap was in short supply on the domestic market. Consequently, he imposed a quota system on future exports. Under the present quota system, total exports of scrap for 1974 will be restricted to approximately 8.4 million net tons.

This limitation has had a disruptive impact on the operations of certain domestic companies who have relied historically on cast ferrous products produced in foreign foundries. A prime example can be found in my own State of Wisconsin. The largest employer in my State is American Motors Corp. In Wisconsin alone, American Motors employs approximately 17,000 people. For over 10 years American Motors has obtained its six-cylinder engine block castings from Holmes Foundry in Sarnia, Ontario, a wholly owned subsidiary of American Motors since 1970. Since the imposition of the export controls on scrap iron and steel, American Motors has found it exceedingly difficult to obtain adequate supplies of ferrous scrap for Holmes Foundry in order to meet its needs for engines. This has had the effect of restricting American Motors' ability to increase production at the very time when this country's need for fuel-economy cars is most critical. This inadequate supply situation has become so severe that at times during this past year American Motors was working on a production inventory of engine blocks equivalent to less than 1 day's assembly line time. If the problem is not corrected, American Motors may be forced to severely cut back production schedules or to shut down assembly lines entirely for sporadic periods. Such cutbacks would affect not only employees in Wisconsin but also in Ohio, Michigan, and Indiana. They would also have an indirect but substantial impact on employees of American Motors' suppliers.

The amendment I have introduced today provides appropriate relief for this critical problem but does not disrupt our original objectives embodies in the Export Administration Act. The amendment permits domestic companies to export iron and steel scrap if at the time of shipment the exporter has obtained a commitment for the reimportation of cast ferrous product produced from the exported scrap. The requirement of reimportation of an equivalent weight of product guarantees that the United States will not suffer a drain on its ferrous scrap resources as a result of this exemption. Furthermore, the amendment does not affect the power of the Secretary to impose export controls on iron and steel scrap when such restrictions are necessary to further our foreign policy or protect our national security.

In short, this amendment is designed to eliminate a very specific but potentially far-reaching problem. It accomplishes this with minimal disruption of the present structure of the act. I believe the amendment should receive the careful consideration of this body. I feel sure my colleagues will agree that the problem is real and the need for relief immediate.

NATIONWIDE SYSTEM OF NO-FAULT MOTOR VEHICLE INSURANCE—AMENDMENT

AMENDMENT NO. 1201

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted an amendment intended to be proposed by him to the bill (S. 354) to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce.

AMENDMENT NO. 1202

(Ordered to be printed and to lie on the table.)

NO-FAULT INSURANCE OVERSIGHT AMENDMENT

Mr. PERCY. Mr. President, the No-Fault Motor Vehicle Insurance Act, S. 354 is now being considered by the Senate. I have been carefully studying this proposal as well as the lengthy reports of the Commerce and Judiciary Committees. While not an expert in insurance matters, I have learned much from the scholarly debate that is now being conducted in the Senate.

As a general principle, I am strongly in favor of allowing the States to act in a field of governmental activity as they see fit. I recognize the desirability, indeed the need, for encouraging different States to use different approaches to social problems at different times. This is the essence of federalism which goes to the very heart of our governmental system. It is for this reason that I supported the Nixon administration's proposal that the States be given several years in which to adopt genuine no-fault statutes of their own. Unfortunately, in the face of mounting evidence of the inadequacies of the present automobile liability insurance system, many States have done nothing or have not acted in a meaningful fashion.

Because of this unreasonable delay and the manifest need of all Americans for better automobile insurance coverage, I support the adoption of a national no-fault insurance system by means of establishing reasonable minimum standards applicable to all of the States. A Federal no-fault insurance system offers the possibility of lower premium rates for most drivers, broader coverage for most victims, and quicker, more equitable payment to those most seriously injured.

While I have not yet made a final decision about S. 354, and will want to carefully study alternate proposals, I do feel that the operation of any Federal no-fault insurance system requires close legislative and executive branch scrutiny. As a result, I am today introducing an amendment to S. 354 designed to enable the Congress and the President to undertake this important oversight function.

The amendment directs the Secretary of Transportation to annually analyze the operation of the various State no-fault insurance plans that would be established under S. 354 in order to determine their effect on insurance premium costs, on various economic, and social groups, on court backlogs, and on the state of competition within the insurance industry. Under this amendment the Secretary of Transportation would be required to include in his report recommendations on how any cost savings resulting from the creation and operation of a national no-fault insurance system could be best passed on to the motoring public. We need to know whether the fears of the opponents of S. 354 are well founded or whether the arguments of its supporters are sustainable.

I ask unanimous consent that this amendment be inserted in the RECORD at this point for the benefit of my colleagues.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1202

On page 98, between lines 14 and 15, insert the following:

(g) REPORTING REQUIREMENTS.—The Secretary, in cooperation with the commissioners, shall annually review the operation of State no-fault plans for motor vehicle insurance established in accordance with this Act and report on—

(1) the cost-savings resulting from the institution of any such plan which meets or exceeds the national standards set forth in this Act and any subsequent savings resulting from the continuing operation of such plans;

(2) appropriate methods for refunding to members of the motoring public any cost-savings realized from the institution and operation of such no-fault insurance plans;

(3) the impact of no-fault insurance on senior citizens; those who live in farming and rural areas; those who are economically disadvantaged, and those who live in inner cities;

(4) the impact of no-fault insurance on the problem of duplication of benefits when an individual has other insurance coverage which provides for compensation or reimbursement for lost wages or for health and accident (including hospitalization) benefits;

(5) the effect of no-fault insurance on court congestion and delay resulting from backlogs in State and Federal courts;

(6) the impact of no-fault insurance, reduced speed limits and other factors on automobile insurance rates; and

(7) the impact of no-fault insurance on competition within the insurance industry, particularly with respect to the competitive position of small insurance companies.

The Secretary shall report to the President and Congress simultaneously on July 1 each year on the results of such review and determination together with his recommendations thereon.

TRADE EXPANSION ACT—AMENDMENTS

AMENDMENT NO. 1203

(Ordered to be printed and referred to the Committee on Finance.)

Mr. BENTSEN. Mr. President, I am today submitting to H.R. 10710, the Trade Expansion Act, an amendment intended to be proposed by me to provide for an import information system to facilitate the location of supplies of raw materials and other commodities necessary to the U.S. economy abroad when they become unavailable domestically. Current short-

ages of vital primary materials for industry and agriculture are becoming increasingly critical and widespread. The most obvious—but far from the only—is petroleum, but we are beginning to experience increasingly serious shortages of non-fuel materials as well.

Clearly, Mr. President, adequate supplies of primary commodities and industrial materials are essential to allow American industry to respond to consumer and manufacturing needs. In a world increasingly characterized by shortages of supply, the location of commodities can be crucial to continued production. Adequate supplies are a major prerequisite to insure uninterrupted domestic production, acceptable levels of employment and prosperity. In addition, uninterrupted flows of commodities are basic to a continued U.S. ability to export finished and intermediate products in a competitive world market.

The United States is rapidly joining the rest of the industrial world in depending on third-world countries for its supplies of raw materials. According to the U.S. Department of the Interior, the United States already depends on imports for more than half of its supply of 6 of 13 basic raw materials required by an industrial society. Raw material needs of U.S. industry can no longer be satisfied from domestic supplies under present conditions of available technology. When commodities for industrial usage cannot be supplied by American extractive industry, we must move to facilitate the location of alternative sources of supply abroad.

Present programs and facilities used by the U.S. Department of Commerce in export promotion programs can and must be adapted to deal with commodity shortages. The current U.S. system of export promotion has various programs and a considerable deal of expertise that can readily be employed to locate potential sources of supply when there are none available domestically. The Commerce Department has country expert teams, commodity experts, and a regional network of offices throughout the United States involved in the stimulation of exports. This structure can be hooked up with commercial attachés in our embassies abroad to pinpoint potential foreign supplies. This network of commercial offices at home and abroad can readily be adapted to supply information about potential sources of primary products and industrial inputs. Some information relating to prospective supplies is already furnished U.S. industry on an informal basis. But the system has not been developed to the degree where it is meaningful or extensive enough to meet the needs of industry. And there is sufficient demand to indicate that such a system is potentially very useful. For example, the regional office of the Commerce Department in Dallas consistently receives numbers of inquiries about raw materials in short supply but simply does not have the information available on potential foreign supplies. With over half our commodity needs supplied from abroad, such a lack of information could be disastrous for large as well as small companies which can no longer obtain sufficient supplies from domestic sources.

Clearly, Mr. President, information on sources of raw materials on an up-to-date basis is indispensable. The computerized export program at the Department of Commerce, which matches prospective foreign buyers with registered domestic producers, can easily be turned around to match domestic manufacturers with foreign suppliers when the commodity in demand is not available domestically.

In a world economic situation where the prospect of recurring shortages has become more and more a reality, and where there is growing dependence on foreign sources of supply, small business will be at a definite disadvantage. Large companies with a knowledge of alternative sources of supply will have relatively less difficulty in locating primary materials for their ongoing operations than small business. However, in a continuing tight world supply situation, even these companies face competitors who are supported and aided in numerous ways by their governments. This puts the American businessman at a distinct disadvantage.

My amendment, providing important information to American industry and thereby facilitating the expansion of export facilities, would complement the other forms of relief now included in the Trade Expansion Act. We must insure that American industry has the materials it needs to continue to produce and to provide the jobs we need in this country. In no way, Mr. President, does my amendment intend to increase the dependence of U.S. industry on foreign sources of supply. I am very concerned over our growing reliance on foreign sources of raw materials and I am strongly in favor of developing the large, presently untapped sources we have available domestically as well as developing alternative metals from domestic resources. But this will take time and meanwhile, when we face domestic shortages of commodities, we will have to continue importing foreign supplies in order to prevent disruption of American production.

Increasing world economic interdependence has a direct influence on domestic employment, production, and standards of living. Relatively inflexible supplies and rising demand for many goods has, in a short period of time, transformed the world from a buyers' to a sellers' market, making it increasingly difficult to find adequate supplies. To produce goods for the American market, and to be able to export, there must be adequate supplies of primary materials. I believe the location of supplies can be greatly facilitated and improved by adequate import information as provided by this amendment. This amendment will contribute to the alleviation of pressures caused by a tight commodity and materials market and I urge the Senate Finance Committee to give it favorable consideration.

NATIONWIDE SYSTEM ON NO-FAULT MOTOR VEHICLE INSURANCE—AMENDMENTS

AMENDMENT NO. 1204

(Ordered to be printed and to lie on the table.)

Mr. ABOUREZK submitted an amendment intended to be proposed by them, jointly, to the bill (S. 354) to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce.

AMENDMENTS NOS. 1205 AND 1206

(Ordered to be printed and to lie on the table.)

Mr. ABOUREZK submitted two amendments intended to be proposed by him to the bill (S. 354), supra.

AMENDMENT NO. 1207

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (S. 354), supra.

VETERANS' EDUCATION AND REHABILITATION AMENDMENTS ACT OF 1974—AMENDMENT

AMENDMENT NO. 1208

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes.

The amendment, ordered to be printed in the RECORD, is as follows:

AMENDMENT NO. 1208

On page 13, beginning with line 6, strike out all down through line 3 on page 15, and insert in lieu thereof the following:

SEC. 6. (a) Title 38, United States Code, is amended by adding at the end thereof the following new part:

"PART VII. OVERVIEW AND EVALUATION OF VETERANS' AFFAIRS

"Chapter Sec.
"100. Commission on Veterans' Rights 10001

"CHAPTER 100—COMMISSION ON VETERANS' RIGHTS; MONITORING OF VETERANS' ADMINISTRATION OPERATIONS

"SUBCHAPTER I—COMMISSION ON VETERANS' RIGHTS

"Sec.
"10001. Establishment of the Commission; compensation of members.
"10002. Duties of the Commission.
"10003. Powers of the Commission.
"10004. Rules of procedures of the Commission.
"10005. Veterans' complaints.
"10006. Information disclosure.
"10007. Cooperation with veterans' organizations; advisory committees.
"10008. Authorization for appropriations.

BLANK AND PINK

There is new betting, new odds. Still the two dogs fight, soundlessly, never turning away. There is a strong odor of sweat, and of blood. Both dogs have flecked the mat with pink slaver. The black and white dog has become black and pink, smeared with blood from nose to haunches.

Suddenly the red dog whirls away, apparently in terror, and attempts to leap the side of the pit.

Mr. Podzianowski shouts, "It's a turn!" in a turn, one dog turns away, running, refusing to fight any longer, and it signals the key juncture in the match, called a "scratch."

The red dog, which has turned (or "scratched"), is taken to a corner; the black and white is held in its corner. The red is released and must within a few seconds redeem itself and show its courage by again attacking the other dog. The red does not, and the match is over.

The quality of ferocity is so highly prized that a losing owner is entitled to ask that the winning dog demonstrate its ferocity through a "courtesy scratch"—that is, that the winning dog demonstrate its willingness to go on by again attacking the loser (which might be dead).

THE STORY OF PEACHES

Mr. Podzianowski likes to tell of a dog of his named Peaches. After a fight in Mississippi, which Peaches won by killing the other dog, the loser asked for a courtesy scratch.

"Her front leg was broke and sticking through the skin at two places. It would jab holes in the canvas when she walked. The guy said, hell, she couldn't make it over the line again, so I let her go. That dog didn't know what was wrong, she tried to run at the other dog and that stub of a leg would hit the floor and she'd tumble. She finally turned almost a flip into the board and landed under that dog and dug in. You tell me that dog didn't have heart?"

The second fight of the Chicago match continued for over a half-hour before it ended with one owner conceding. The owner, apparently genuinely concerned, feared his dog would die.

Not so the owner of Lady, the loser of the first fight. He would, he said, take her home and kill her. No use wasting food, he said.

By Mr. MONDALE (for himself and Mr. BROOKE):

Senate Joint Resolution 246. A joint resolution authorizing the Office of Watergate Special Prosecution Force to investigate and report on White House crimes and conferring power to compel testimony and subpoena relevant tapes and documents. Referred to the Committee on the Judiciary.

Mr. MONDALE. Mr. President, I make the following statement on behalf of myself and the distinguished Senator from Massachusetts (Mr. BROOKE).

Because of the agreement between former President Richard Nixon and the General Services Administration regarding White House tapes and documents, there is a possibility that the American people and the Congress may never be able to reach a final judgment on the extent of the involvement of Mr. Nixon and others in Watergate and related incidents.

Under the terms of this agreement, the former President is given total control over the Presidential papers and tapes, subject only to subpenas issued by courts of law. And he is given the right to destroy the tapes after 5 years. In our judgment such an arrangement may prevent the full story of Watergate from ever being told.

We fully support legislation soon to come before the Senate to abrogate the agreement between Mr. Nixon and the GSA. But even under this legislation, access to crucial evidence may be limited to subpenas obtained through the criminal justice process.

The Watergate cover-up trial will provide some of the facts. But only part of the story will emerge, for a criminal trial involving certain individuals must be confined to those issues that relate to the guilt or innocence of those particular individuals. Thus, no matter how much we learn from the trial, we will never know how much remains concealed.

And this would be tragic. Ours is, as Lincoln said, a government "of the people, by the people, and for the people." And for the people to judge the extent of wrongdoing and the measures needed to prevent the recurrence of this tragic episode, they must know all the facts.

We strongly believe that the truth must come out—to meet the people's right to know, and in a way that allows the President and the Congress the opportunity to refocus their energies and attentions on the serious and pressing problems that now beset our Nation.

And therefore we are introducing today legislation authorizing and directing the Special Prosecutor to conduct a thorough investigation of the involvement of former President Richard Nixon and others in Watergate and related incidents and to issue a public report containing the material evidence, together with such findings, conclusions, and recommendations as he finds appropriate.

In addition, our bill will confer on the Special Prosecutor the power, through the courts, to compel testimony and to subpena tapes and documents relevant to his inquiry. There is ample authority for such a legislative grant of authority. Similar powers were conferred on the Warren Commission—which, like the Office of the Special Prosecutor, was created by Executive order—by Congress.

We believe our approach has distinct advantages over other proposals that have been advanced:

Unlike proposals for congressional inquiries, our approach removes the investigation from the political arena, and leaves Congress and the President free to concentrate on today's problems;

By putting the inquiry in the Special Prosecutor, our approach avoids the risk of jeopardizing trials with ill-timed publicity, and takes advantage of the expertise accumulated by Mr. Jaworski and his staff;

And finally, by placing this critical responsibility in the hands of the respected Special Prosecutor and his excellent staff, our approach avoids devisive argument over who should serve on any new national commission.

We applaud the efforts of members of the Senate Committee on the Judiciary to secure the kind of inquiry and final report from the Office of Special Prosecutor envisioned in the bill we proposed today. And we believe the additional legal authority to compel production of documentary evidence and testimony provided in our bill would prove most important to the conduct of such an inquiry and report.

It should be made clear that, under our bill, the Special Prosecutor will have complete control over the timing of the investigation and report. Obviously he will place his prosecutorial responsibilities first. And our bill also provides for additional staff so that, to the extent he considers it appropriate, the two functions can proceed side-by-side.

We hope that this important legislative initiative will receive widespread support. Such support would help remove the Watergate debate from the political arena and place the search for truth in the context of an independent investigation—where it belongs.

The time has come, at long last, to explain fully the Watergate tragedy, and to move the attention of the Congress and the President from Watergate to the urgent economic and other problems facing the country.

AMENDMENTS SUBMITTED FOR PRINTING

DEVELOPMENT OF A FAIR WORLD ECONOMIC SYSTEM—H.R. 10710

AMENDMENT NO. 1938

(Ordered to be printed and referred to the Committee on Finance.)

Mr. BUCKLEY submitted an amendment intended to be proposed by him to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

AMENDMENT NO. 1947

(Ordered to be printed and to lie on the table.)

Mr. LONG submitted an amendment intended to be proposed by him to the bill (H.R. 10710), supra.

AMENDMENT TO PROVIDE COMMUNITY ADJUSTMENT ASSISTANCE

Mr. LONG. Mr. President, I am today submitting an amendment to establish a program of adjustment assistance for communities adversely affected by import competition. This amendment is offered to the Trade Reform Act (H.R. 10710), which is now pending before the Committee on Finance.

Since 1962 our laws have authorized the Federal Government to provide adjustment assistance to workers and firms injured by imports. At the present time, however, there is no comparable program of assistance for communities whose economies have been injured by import competition. The amendment I offer today would create such a program.

Much attention has been directed to the plight of workers and firms injured because of the negative side of their government's trade policies. Adjustment assistance should be made available to communities as well, for the economic dislocation occasioned by imports frequently falls heaviest upon communities, particularly smaller communities. When the Federal Government adopts a trade policy which undermines the economic bases of localities throughout the country, it owes those communities a special duty to repair the damage. My amendment would fulfill that duty by authorizing the executive branch to make available specialized assistance, both technical and financial, to communities whose local economies are dependent upon industries adversely affected by imports. Areas which are certified by the Secretary of Commerce would become eligible for the development assistance of the Economic Development Administration.

In addition, my amendment proposes a loan guarantee program which is linked to general revenue sharing. The program would work as follows: The Secretary of Commerce would be authorized to extend up to $500 million in loan guarantees to qualified applicants to acquire, construct, or modernize plant facilities or for such other purposes as the Secretary determines are likely to attract new investment and create new long-term employment opportunities within the area. The loan guarantees would be made available to qualified applicants upon the approval of the Secretary of Commerce under a joint security agreement with the Governor of the State in whose jurisdiction the affected labor area lies. In order for the loan guarantee to be extended, the Governor of the State would sign a commitment pledging such a portion of the State's next entitlement of general revenue sharing funds as necessary to cover up to 50 percent of the amount defaulted.

In the event of a default, the Secretary of Commerce would certify the amount and circumstances of the deficiency to the Secretary of Treasury; the Secretary of Treasury would reduce the State's entitlement for the subsequent year by an amount equal to 50 percent of the guaranteed amount. The remaining 50 percent of the deficiency would be satisfied out of the general revenues of the Treasury.

Mr. President, as we proceed with trade legislation, it is essential that we take steps to assist the workers, firms, and communities whose livelihoods will be injured. This amendment seeks to provide that assistance to communities. I commend it to the attention of my colleagues in the Senate and on the Finance Committee.

SUSPENSION OF DUTY ON CATALYSTS OF PLATINUM AND CARBON—H.R. 13370

AMENDMENT NO. 1939

(Ordered to be printed and to lie on the table.)

Mr. TUNNEY submitted an amendment intended to be proposed by him to the bill (H.R. 13370) to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caprolactam.

FOREIGN ASSISTANCE ACT OF 1974—S. 3394

AMENDMENTS NOS. 1940 AND 1941

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted two amendments intended to be proposed by him to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

SOCIAL SECURITY RECIPIENTS FAIRNESS ACT OF 1974—S. 3952

AMENDMENT NO. 1942

(Ordered to be printed and referred to the Committee on Finance.)

Mr. SCHWEIKER. Mr. President, I am introducing an amendment to S. 3952, the "Social Security Recipients Fairness Act of 1974," which I cosponsored with Senator PELL, to include black lung benefits among those programs covered by the bill, providing for the speedy replacement of lost, stolen or delayed benefit checks, and for the reform of the disability insurance appeals process.

Delays in processing black lung benefit claims are a national disgrace. Mr. President, the Social Security Administration must speed up processing of black lung benefit cases so the thousands of eligible, needy recipients can receive their long overdue black lung benefits. I have in my office literally hundreds of cases from people who have asked my assistance in expediting the tortuously long process of applying for black lung benefits. It is unusual for a claim to be processed in less than 4 months, and common for a claimant to wait for a full year for a final decision. This is totally unacceptable to me, and highly unfair to miners, their families, and widows who have been burdened by black lung.

The black lung benefit program is one of our Nation's most deserving programs, but it has become a paperwork nightmare. My amendment would speed up black lung benefit procedures so that the average citizen, who desperately needs these benefits, will no longer be the one who gets hurt.

Mr. President, I ask unanimous consent that my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1942

At the end of the bill, add the following new title:

TITLE III—EXPEDITED PAYMENT OF BLACK LUNG BENEFITS; AND EXPEDITED HEARINGS AND DETERMINATIONS RESPECTING SUCH BENEFITS

SEC. 301. (a) Section 413(b) of the Federal Coal Mine Health and Safety Act of 1969 is amended by striking out "and (l)" and inserting in lieu thereof "(q), and (l)".

(l) The amendment made by subsection (a) shall be effective in the case of applications filed and written requests filed, under part B of title IV of the Federal Coal Mine Health and Safety Act of 1969, on and after the first day of the first calendar month which begins more than sixty days after the date of enactment of this Act.

SEC. 302. The Secretary of Health, Education, and Welfare, in the administration of part B of title IV of the Federal Coal Mine Health and Safety Act of 1969, shall, with respect to hearings and determinations on claims thereunder, establish procedures for the expediting of such hearings and determinations which are, to the maximum extent feasible, patterned after and consistent with the objectives of section 1124 of the Social Security Act.

DUTY-FREE ENTRY OF TELESCOPE AT MAUNA KEA, HAWAII—H.R. 11796

AMENDMENT NO. 1943

(Ordered to be printed and referred to the Committee on Finance.)

Mr. BUCKLEY submitted an amendment intended to be proposed by him to the bill (H.R. 11796) to provide for the duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii.

AMENDMENT OF THE JURY SELECTION AND SERVICE ACT—S. 3265

AMENDMENT NO. 1944

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER. Mr. President, on behalf of Senators METZENBAUM, MONDALE, BIDEN, MCCLURE, and myself, I submit an amendment to S. 3265, to provide for protection for jurors.

My amendment is identical to S. 3776, which I introduced on July 18; and it will guarantee every person serving on a jury in the United States the right to return to his or her prior employment when jury service is completed. S. 3776 is cosponsored by Senators METZENBAUM, MONDALE, BIDEN, and MCCLURE.

My amendment has the following major provisions:

First. Any employee—except a temporary worker—who applies for reemployment within 15 days after completion of jury duty must be rehired with his former seniority, status, and pay, provided he receives a certificate from the court verifying his service.

Second. Any employee so restored to his position shall be considered to have been on furlough or leave of absence during his jury service for purposes of insurance and other employment benefits, and such employee cannot be discharged without cause for a 1-year period thereafter.

Third. Original jurisdiction is created in the Federal district courts to grant money damages under this measure, regardless of the amount of controversy, and the Federal district courts are re-

Morhouse was convicted in the bribery of Martin C. Epstein, former State Liquor Authority chairman, to obtain a liquor license for the Playboy Club.

Mr. Slote explained yesterday:

"It is true that such a letter was sent. It was sent by Mr. Ronan. When I said that such a letter had never been sent I was incorrect."

The letter from Mr. Ronan, it was reported, detailed his relationship with Morhouse and mentioned the Governor's name.

TWO VIEWS OF THE CASE OF L. JUDSON MORHOUSE

DOCUMENTED FACTS FROM OTHER SOURCES	MR. ROCKEFELLER'S VERSION
1958	*1958*
Morhouse vigorously works to get nomination for Rockefeller; does so, and elects him.	Morhouse got on the bandwagon after he saw that Rockefeller was going to win.
Morhouse convinces Crews to bring the key delegation of Brooklyn Republicans into the Rockefeller camp.	Crews got on the bandwagon.
1959	*1959*
Morhouse's salary is $17,000 as Vice Chairman of N.Y. Thruway Authority, equivalent of $30,000 today. Morhouse also gets $130,000 over five years in "public relations" fees from private corporations.	Morhouse is "unsalaried" as State Party Chairman and in financial straits.
Crews nominates Epstein who is appointed by Rockefeller to State Liquor Authority.	There was no "deal" with Crews.
April 7. Race track group mets in NYC.	
April 8. Race track group flies from N.Y. to Miami; concessionaires fly from Pennsylvania to Miami with $100,000. No transaction because license not issued.	
April 9. Racing Commission approves license for Finger Lakes group.	
April 10. Race track group flies to Philadelphia, gets $100,000, delivers to Morhouse in Miami.	
May 5. Morhouse returns $100,000 in NYC because Governor "got wind" of transaction.	
May 12. Race track group returns money to concessionaires because promises not kept.	June 4. $100,000 offered to Morhouse at fund-raising dinner as a "legal" contribution; Rockefeller immediately orders cash returned to avoid trouble with donors.
August 15. Seyah corporation organized by Rockefeller lawyers; Morhouse is President of corporation.	
Dec. 3. Seyah Corp., wholly owned by Nelson Rockefeller, buys Babylon property.	
Dec. 22. Laurance Rockefeller sells venture securities to Morhouse, taking back $49,000 note (later sold back to Laurence for $30,000 profit, plus $240,000 equity in remainder).	Dec. 22. Morhouse needed "legitimate" income.
1960	*1960*
Sept. 21. Nelson Rockefeller sells all stock in Seyah Corp. to Morhouse, taking back a $100,000 promissory note. Property ultimately worth $600,000 to Morhouse.	Sept. 21. Morhouse needed to be put beyond "temptation."
1961	*1961*
May 1. Morhouse begins negotiations with Playboy Club to bribe Epstein.	
July 20. N.Y. State buys Seyah Corp land segment for $22,600, twice the rate of awards for condemnation of similar property.	
1962	*1962*
Dec. 27 Morhouse resigns as Party Chairman	
1963	*1963*
Jan. 9. Morhouse resigns as Vice Chairman of N.Y. Thruway Authorty. Called before grand jury few hours later in connection with State Liquor Authority probe.	
1965	*1965*
Dec. 7. Morhouse indicted.	
1966	*1966*
May 20. Morhouse convicted.	
June 15. Morhouse sentenced.	June 15. High state officials, including Rockefeller's Secretary, William Ronan, hail Mr. Morhouse as a man of integrity, and ask Judge for leniency.
1970	*1970*
Dec. 23.	Dec. 23. Morhouse's sentence is commuted without serving sentence on grounds of health.
1973	*1973*
December.	December. $100,00 loan for Sayah Corp stock is forgiven at discounted rate of $87,000.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

RECESS

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until the hour of 11 a.m. today.

The motion was agreed to; and at 10:27 a.m. the Senate took a recess until 11 a.m.

The Senate reassembled at 11 a.m., when called to order by the Presiding Officer (Mr. ABOUREZK).

ATOMIC ENERGY COMMISSION UNANIMOUS CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, with respect to the agreement that was previously entered into in connection with S. 4033, to authorize appropriations for the Atomic Energy Commission, I ask unanimous consent that on one amendment by Mr. KENNEDY, Mr. HUMPHREY, and Mr. MUSKIE, there be a 1-hour limitation, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, is there any business before the Senate?

The PRESIDING OFFICER. There is no business before the Senate.

TRADE REFORM ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, in order that there may be business before the Senate, but with the understanding that there will be no action thereon today, that it will just be laid before the Senate for the purpose of making it the unfinished business, I ask unanimous consent that the Senate proceed to the consideration of H.R. 10710, the Trade Reform Act of 1974.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments on page 1, in

line 4, strike out "1973" and insert in lieu thereof "1974".

On page 1, beginning after line 4, strike out the following:

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Sec. 135. Advice from private sector.

CHAPTER 4—OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Sec. 141. Office of the Special Representative for Trade Negotiations.

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And insert in lieu thereof:

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On page 8, beginning at line 2, strike out the following language:

The purposes of this Act are, through trade agreements affording mutual trade benefits—

(1) to stimulate the economic growth of the United States and to maintain and enlarge foreign markets for the product of United States agriculture, industry, mining, and commerce; and

(2) to strengthen economic relations with foreign countries through the development of fair and equitable market opportunities and through open and nondiscriminatory world trade.

And insert in lieu thereof:

The purposes of this Act are—

(1) to authorize the President, for a period of five years, to enter into trade agreements with foreign countries with the objectives of establishing fairness and equity in international trading relations, including reform of the rules governing international trade, the harmonization, reduction, or elimination of tariff and nontariff barriers to, and other distortions of, international trade, to secure for the commerce of the United States on the basis of reciprocity, equal competitive opportunities in foreign markets, and to promote the economic growth of, and full employment in, the United States;

(2) to authorize the President to proclaim, subject to certain conditions and limitations, such modifications or continuance of any existing duty, such continuance of existing duty-free or excise treatment, or such additional duties as he determines is required or appropriate to carry out trade agreements;

(3) to authorize the President to negotiate trade agreements with foreign countries providing for the harmonization, reduction, or elimination of nontariff barriers to and other distortions of international trade, and to establish procedures for the consideration and implementation of such agreements by the Congress;

(4) to require the President in the exercise of trade agreement authority to assure reciprocal trade benefits, and in particular, fair treatment and equitable market access for exports of the United States, through the full exercise of rights in such agreements, including the reform and revision of international trade rules;

(5) to require the President in the exercise of trade agreement authority to strengthen international agreements governing fair and equitable access to supplies of food, raw materials, and manufactured and semimanufactured products;

(6) to require the reporting of the balance of trade of the United States on a cost, insurance, and freight basis;

(7) to provide additional authority to the President temporarily to modify restrictions

port from the Commission (or making an affirmative finding under section 201(b) (or a finding under section 201(b) which he considers to be an affirmative finding, by reason of section 330 (d) of the Tariff Act of 1930, within such 60-day period) the President shall—

(1) determine what method and amount of import relief he will provide, and whether he will direct expeditious consideration of adjustment assistance petitions, and publish in the Federal Register that he has made such determination; or

(2) if such report recommends the provision of adjustment assistance, publish in the Federal Register his order to the Secretary of Labor and Secretary of Commerce for expeditious consideration of petitions.

On page 113, in line 1, strike out the words "whether to provide import relief" and insert in lieu thereof the words "what method and amount of import relief he will provide".

On page 113, in line 14, strike out the word "chapter 3" and insert in lieu thereof the words "chapters 3 and 4".

On page 114, beginning at line 13, strike out the following language:

(9) the economic and social costs which would be incurred by taxpayers, communities, and workers if import relief were or were not provided.

And insert in lieu thereof:

(9) the economic and social costs which will be incurred, and which would be incurred if no such import relief were provided, by taxpayers, communities and workers.

On page 114, in line 20, strike out the number "45" and insert in lieu thereof the number "15".

On page 114, in line 22, strike out the word "Tariff".

On page 114, in line 23, strike out the word "Tariff".

On page 114, in line 24, strike out the word "Tariff".

On page 114, in line 25, strike out the words "(60 days where extensive additional information is requested)".

On page 115, beginning at line 6, strike out the following language:

(a) For purposes of applying the provisions of this section, each of the following methods of providing relief from injury caused by imports shall be preferred to the methods listed below it:

(1) Increases in, or impositions of duties.
(2) Tariff rate quotas.
(3) Quantitative restrictions.
(4) Orderly marketing agreements.

Nothing in this section shall prevent the use of a combination of two or more such methods.

(b) If the President determines to provide import relief pursuant to this section, he shall, to the extent that and

And insert in lieu thereof:

(a) If the President is required to provide import relief under section 202(a)(1), he shall, to the extent that and

On page 115, line 21, after the word "necessary" insert the words "taking into account the considerations specified in section 202(c)".

On page 116, beginning at line 13, strike out the following language:

(c) Whenever the President selects under this section a method or methods of providing relief from injury caused by imports he shall report to the Congress what action he is taking, and he shall state with respect to each such method the reasons why he selected that method of providing relief from such injury rather than adjustment assistance and rather than each method of import relief ranks higher in preference.

And insert in lieu thereof

(b) On the day on which the President proclaims import relief under this section or announces his intention to negotiate one or more orderly marketing agreements, the President shall transmit to Congress a document setting forth the action he is taking under this section. If he action taken by the President differs from the action recommended to him by the Commission under section 201(b)(1)(A), he shall state the reason for such difference.

(c)(1) If the President reports under subsection (b) that he is taking action which differs from the action recommended by the Commission under section 201(b)(1)(A), the action recommended by the Commission shall take effect (as provided in paragraph (2)) upon the adoption by both Houses of Congress (within the 90-day period following the date on which the document referred to in subsection (b) is transmitted to the Congress), by an affirmative vote of a majority of the Members of each House present and voting, of a concurrent resolution disapproving the action taken by the President under section 202(a)(1)(A).

(2) If the contingency set forth in paragraph (1) occurs, the President shall (within 30 days after the adoption of such resolution) proclaim the increase in or imposition of, any duty or other import restriction on the article which was recommended by the Commission under section 201(b).

On page 117, in line 21, after the word "subsection" strike out "(b)" and insert in lieu thereof "(a) or (c)".

On page 118, in line 2, after the word "subsection" strike out "(b)" and insert in lieu thereof "(a) or (c)".

On page 118, in line 3, strike out the words "such subsection" and insert in lieu thereof the word "subsection (a)".

On page 118, beginning at line 9, strike out the following language:

(c)(1) Any initial proclamation made pursuant to paragraph (1), (2), or (3), of subsection (b)(a), shall be made within 15 days after the import relief determination date. Any initial orderly marketing agreement under paragraph (4) of subsection (b)(a) shall be entered into on or within 180 days after the import relief determination date.

(2) If within 15 days after the import relief determination date, the President announces his intention to negotiate one or more orderly marketing agreements, the taking effect of any initial proclamation referred to in paragraph (1) may be withheld until the entering into effect of an orderly marketing agreement which is entered into on or before the 180th day after the import relief determination date, and the application of any such initial proclamation may be suspended while such agreement is in effect.

(3) For purposes of this subsection, the term "import relief determination date" means the date of the President's determination under section 202 to provide import relief.

And insert in lieu thereof:

(e)(1) Import relief under this section shall be proclaimed and take effect within 15 days after the import relief determination date unless the President announces on such date his intention to negotiate one or more orderly marketing agreements under subsection (a)(4) or (5) in which case import relief shall be proclaimed and take effect within 90 days after the import relief determination date.

(2) If the President proclaims import relief under subsection (a)(1), (2), or (3), he may, after such relief takes effect, negotiate orderly marketing agreements with foreign countries and may, after such agreements take effect, suspend or terminate in whole or in part, such import relief.

(3) If the President negotiates an orderly marketing agreement under subsection (a)(4) or (5) and such agreement does not continue to be effective, he may, consistent with the limitations contained in subsection (a), provide import relief under subsection (a)(1), (2), (3), or (5).

(4) For purposes of this subsection, the term "import relief determination date" means the date of the President's determination under section 202(b) as to what measure and amount of import relief he will provide.

On page 119, in line 23, after the word "and" strike out "(b)" and insert in lieu thereof "(c)".

On page 120, in line 3, after the word "and" strike out "(b)" and insert in lieu thereof "(c)".

On page 120, in line 8, strike out the words "or (2)".

On page 120, in line 9, after the word "subsection" strike out "(b)" and insert in lieu thereof "(a) or (c)".

On page 120, in line 9, strike out the word "Tariff".

On page 120, in line 13, after the words "(or threat thereof)" insert the words "substantially caused by imports".

On page 120, in line 16, after the number "807.00" strike out the comma and the words "or from the designation of the article as an eligible article for purposes of title V, as the case may be".

On page 120, beginning at line 19, insert the following new language:

(4) No proclamation which provides solely for a suspension referred to in paragraph (2) with respect to any article shall be made under subsection (a) or (c) unless the Commission, in addition to making an affirmative determination with respect to such article under section 201(b), determines in the course of its investigation under section 201(b) that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the designation of the article as an eligible article for the purposes of title V.

On page 121, beginning at line 5, strike out the following language:

(g) No import relief shall be provided pursuant to this section unless due diligence has been exercised in notifying those persons who may be adversely affected by the providing of such relief, and unless the President has provided for a public hearing with respect to the proposal to provide such relief during the course of which interested persons have been given a reasonable opportunity to be present, to produce evidence, and to be heard.

On page 121, at the beginning of line 13, strike out "(h)" and insert in lieu thereof "(g)".

On page 121, in line 15, strike out "(a)(3)" and insert in lieu thereof "(a)(3) or (c)".

On page 121, in line 18, strike out "(a)(4)" and insert in lieu thereof "(a)(4), (a)(5), or (e)(2)".

On page 121, in line 22, strike out "(a)" and insert in lieu thereof "(a)(4), (a)(5), or (e)(2)".

On page 122, at the beginning of line 8, strike out "(i)" and insert in lieu thereof "(h)".

(B) the determination by the Tariff Commission of the rates of duty which afford substantially equivalent protection to the barrier (or other distortion) of the United States which is being converted.

(h) For purposes of this section the term "barrier" includes the American selling price basis of customs valuation (19 U.S.C. sec. 1401a(c) and 1402(g)).

And insert in lieu thereof:

(b) Whenever the President determines that any barriers to (or other distortions of) international trade of any foreign country or the United States unduly burden and restrict the foreign trade of the United States or adversely affect the United States economy, or that the imposition of such barriers is likely to result in such a burden, restriction, or effect, and that the purposes of this Act will be promoted thereby, the President, during the 5-year period beginning on the date of the enactment of this Act, may enter into trade agreements with foreign countries or instrumentalities providing for the harmonization, reduction, or elimination of such barriers (or other distortions) or providing for the prohibition of or limitations on the imposition of such barriers (or other distortions).

(c) Before the President enters into any trade agreement under this section providing for the harmonization, reduction, or elimination of a barrier to (or other distortion of) international trade, he shall consult with the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and with each committee of the House and the Senate and each joint committee of the Congress which has jurisdiction over legislation involving subject matters which would be affected by such trade agreement. Such consultation shall include all matters relating to the implementation of such trade agreement as provided in subsections (d) and (e). If it is proposed to implement such trade agreement, together with one or more other trade agreements entered into under this section, in a single implementing bill, such consultation shall include the desirability and feasibility of such proposed implementation.

(d) Whenever the President enters into a trade agreement under this section providing for the harmonization, reduction, or elimination of a barrier to (or other distortion of) international trade, he shall submit such agreement, together with a draft of an implementing bill (described in section 151(b)) and a statement of any administrative action proposed to implement such agreement, to the Congress as provided in subsection (e), and such agreement shall enter into force with respect to the United States only if the provisions of subsection (e) are complied with and the implementing bill submitted by the President is enacted into law.

(e) Each trade agreement submitted to the Congress under this subsection shall enter into force with respect to the United States if (and only if)—

(1) the President, not less than 90 days before the day on which he enters into such trade agreement, notifies the House of Representatives and the Senate of his intention to enter into such an agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(2) after entering into the agreement, the President transmits a document to the House of Representatives and to the Senate containing a copy of such agreement together with—

(A) a draft of an implementing bill and a statement of any administrative action proposed to implement such agreement, and an explanation as to how the implementing bill and proposed administrative action change or affect existing law, and

(B) a statement of his reasons as to how the agreement serves the interests of United States commerce and as to why the implementing bill and proposed administrative action is required or appropriate to carry out the agreement; and

(3) the implementing bill is enacted into law.

(f) To insure that a foreign country or instrumentality which receives benefits under a trade agreement entered into under this section is subject to the obligations imposed by such agreement, the President may recommend to Congress in the implementing bill and statement of administrative action submitted with respect to such agreement that the benefits and obligations of such agreement apply solely to the parties to such agreement, if such application is consistent with the terms of such agreement. The President may also recommend with respect to any such agreement that the benefits and obligations of such agreement not apply uniformly to all parties to such agreement, if such application is consistent with the terms of such agreement.

(g) For purposes of this section—

(1) the term "barrier" includes the American selling price basis of customs evaluation as defined in section 402 or 402a of the Tariff Act of 1930, as appropriate.

(2) the term "distortion" includes a subsidy; and

(3) the term "international trade" includes trade in both goods and services.

SEC. 103. OVERALL NEGOTIATING OBJECTIVE.

The overall United States negotiating objective under sections 101 and 102 shall be to obtain more open and equitable market access and the harmonization, reduction, or elimination of devices which distort trade or commerce. To the maximum extent feasible, the harmonization, reduction, or elimination of agricultural trade barriers and distortions shall be undertaken in conjunction with the harmonization, reduction, or elimination of industrial trade barriers and distortions.

SEC. 104. SECTOR NEGOTIATING OBJECTIVE.

(a) A principal United States negotiating objective under sections 101 and 102 shall be to obtain, to the maximum extent feasible, with respect to appropriate product sectors of manufacturing, and with respect to the agricultural sector, competitive opportunities for United States exports to the developed countries of the world equivalent to the competitive opportunities afforded in United States markets to the importation of like or similar products, taking into account all barriers (including tariffs) to and other distortions of international trade affecting that sector.

(b) As a means of achieving the negotiating objective set forth in subsection (a), to the extent consistent with the objective of maximizing overall economic benefit to the United States (through maintaining and enlarging foreign markets for products of United States agriculture, industry, mining, and commerce, through the development of fair and equitable market opportunities, and through open and nondiscriminatory world trade), negotiations shall, to the extent feasible, be conducted on the basis of appropriate product sectors of manufacturing.

(c) For the purpose of this section and section 135, the Special Representative for Trade Negotiations together with the Secretary of Commerce, Agriculture, or Labor, as appropriate, shall, after consultation with the Advisory Committee for Trade Negotiations established under section 135 and after consultation with interested private organizations, identify appropriate product sectors of manufacturing.

(d) If the President determines that competitive opportunities in one or more product sectors will be significantly affected by a trade agreement concluded under section 101 or 102, he shall submit to the Congress with each such agreement an analysis of the extent to which the negotiating objective set forth in subsection (a) is achieved by such agreement in each product sector or product sectors.

SEC. 105. BILATERAL TRADE AGREEMENTS.

If the President determines that bilateral trade agreements will more effectively promote the economic growth of, and full employment in, the United States, then, in such cases, a principal negotiating objective under sections 101 and 102 shall be to enter into bilateral trade agreements. Each such trade agreement shall provide for mutually advantageous economic benefits.

SEC. 106. AGREEMENTS WITH DEVELOPING COUNTRIES.

A principal United States negotiating objective under sections 101 and 102 shall be to enter into trade agreements which promote the economic growth of both developing countries and the United States and the mutual expansion of market opportunities.

SEC. 107. INTERNATIONAL SAFEGUARD PROCEDURES.

(a) A principal United States negotiating objective under section 102 shall be to obtain internationally agreed upon rules and procedures, in the context of the harmonization, reduction, or elimination of barriers to, and other distortions of, international trade, which permit the use of temporary measures to ease adjustment to changes occurring in competitive conditions in the domestic markets of the parties to an agreement resulting from such negotiations due to the expansion of international trade.

(b) Any agreement entered into under section 102 may include provisions establishing procedures for—

(1) notification of affected exporting countries,

(2) internationl consultations,

(3) international review of changes in trade flows,

(4) making adjustments in trade flows as the result of such changes, and

(5) international mediation.

Such agreements may also include provisions which—

(A) exclude, under specified conditions, the parties thereto from compensation obligations and retaliation, and

(B) permit domestic public procedures through which interested parties have the right to participate.

SEC. 108. ACCESS TO SUPPLIES.

(a) A principal United States negotiating objective under section 102 shall be to enter into trade agreements with foreign countries and instrumentalities to assure the United States of fair and equitable access at reasonable prices to supplies of articles of commerce which are important to the economic requirements of the United States and for which the United States does not have, or cannot easily develop, the necessary domestic productive capacity to supply its own requirements.

(b) Any agreement entered into under section 102 may include provisions which—

(1) assure to the United States the continued availability of important articles at reasonable prices, and

(2) provide reciprocal concessions or comparable trade obligations, or both, by the United States.

On page 28, beginning at line 16, strike out the following language:

(1) a reduction of 3 percent ad valorem or a reduction of one-fifteenth of the total reduction under such agreement, whichever is greater, had taken effect on the date of the first proclamation pursuant to section 101(a) (2) to carry out such trade agreement, and

(2) the remainder of such total reduction had taken effect at 1 year intervals after the date referred to in paragraph (1) in installments equal to the greater of 3 percent ad valorem or one-fourteenth of such remainder.

And insert in lieu thereof:

(1) in the case of a total reduction in the rate of duty on any article under such agreement in excess of 20 percent ad valorem, a reduction of one-tenth of that total reduction had taken effect on the effective date of the first reduction proclaimed pursuant to section 101(a)(2) to carry out such agreement with respect to such article and at the beginning of each 1-year period after that date; or

(2) in the case of a total reduction in such rate of duty not in excess of 20 percent ad valorem, a reduction of 2 percent ad valorem had taken effect on the effective date of such first reduction and at the beginning of each 1-year period after that date.

On page 29, beginning at line 24, strike out the following language:

(c)(1) No reduction pursuant to a trade agreement under this title shall take effect more than 15 years after the date of the first proclamation to carry out such trade agreement.

And insert in lieu thereof:

(c)(1) No reduction in the rate of duty on any article pursuant to a trade agreement under section 101 shall take effect more than 10 years after the effective date of the first reduction proclaimed to carry out such trade agreement with respect to such article.

On page 30, in line 11, after the word "thereunder," insert the words "the effect of which is to maintain or increase the rate of duty on an article,".

On page 30, in line 13, strike out the word "intervals" and insert in lieu thereof the word "periods".

On page 30, in line 14, strike out "(2)".

On page 30, in line 15, strike out the number "15" insert in lieu thereof the number "10".

On page 30, at the end of line 25, strike out the comma and insert in lieu thereof a period.

On page 31, in line 1, strike out the words "including (but not limited to):" and insert in lieu thereof the words "The action and principles referred to in the preceding sentence include, but are not limited to, the following—".

On page 31, in line 4, strike out the word "machinery" and insert in lieu thereof the word "procedures".

On page 31, in line 7, strike out the word "interest" and insert in lieu thereof the word "interests".

On page 31, in line 24, strike out the word "and".

On page 32, in line 4, strike out the word "required." and insert in lieu thereof the word "required,".

On page 32, beginning at line 5, insert the following new language:

(7) the improvement and strengthening of the provisions of GATT and other international agreements governing access to supplies of food, raw materials, and manufactured or semi-manufactured products, including rules and procedures governing the imposition of export controls, the denial of fair and equitable access to such supplies, and effective consultative procedures on problems of supply shortages,

(8) the extension of the provisions of GATT or other international agreements to authorize multilateral procedures by contracting parties with respect to member or nonmember countries which deny fair and equitable access to supplies of food, raw materials, and manufactured or semi-manufactured products, and thereby substantially injure the international community,

(9) any revisions necessary to establish procedures for regular consultation among countries and instrumentalities with respect to international trade and procedures to adjudicate commercial disputes among such countries or instrumentalities,

(10) any revisions necessary to apply the principles of reciprocity and nondiscrimination, including the elimination of special preferences and reverse preferences, to all aspects of international trade,

(11) any revisions necessary to establish more flexible international monetary mechanisms,

(12) any revisions necessary to define the forms of subsidy to industries producing products for export and the forms of subsidy to attract foreign investment which are consistent with an open, nondiscriminatory, and fair system of international trade, and

(13) any revisions necessary to establish agreement on the extraterritorial application of national laws, including laws relating to antitrust, taxation, and foreign trade.

On page 33, beginning at line 15, strike out the following language:

(b) There are hereby authorized to be appropriated annually such sums as may be necessary for the payment by the United States of its share of the expenses of the contracting parties to the General Agreement on Tariffs and Trade.

And insert in lieu thereof:

(b) The President shall, to the extent feasible, enter into agreements with foreign countries or instrumentalities to establish the principles described in subsection (a) with respect to international trade between the United States and such countries or instrumentalities.

(c) If the President enters into a trade agreement which establishes rules or procedures, including those set forth in subsection (a), promoting the development of an open, nondiscriminatory, and fair world economic system and if the implementation of such agreement will change any provision of Federal law (including a material change in an administrative rule), such agreement shall take effect with respect to the United States only if the appropriate implementing legislation is enacted by the Congress unless implementation of such agreement is effected pursuant to authority delegated by Congress. Such trade agreement may be submitted to the Congress for approval in accordance with the procedures of section 151. Nothing in this section shall be construed as prior approval of any legislation necessary to implement a trade agreement entered into under this section.

(d) There are authorized to be appropriated annually such sums as may be necessary for the payment by the United States of its share of the expenses of the Contracting Parties to the General Agreement on Tariffs and Trade. This authorization does not imply approval or disapproval by the Congress of all articles of the General Agreement on Tariffs and Trade.

On page 34, beginning at line 23, strike out the following language:

(a) Whenever the President determines that fundamental international payments problems require special import measures to restrict imports—

(1) to deal with a large and serious United States balance of payments deficit,

(2) to prevent an imminent and significant depreciation of the dollar in foreign exchange markets, or

(3) to cooperate with other countries in correcting an international balance of payments disequilibrium,

the President is authorized for a period not exceeding 150 days (unless a longer period is authorized by Act of Congress)—

(A) to proclaim a temporary import surcharge, not to exceed 15 percent ad valorem, in the form of duties (in addition to those already imposed, if any) on articles imported into the United States; and

(B) to proclaim temporary limitations through the use of quotas on the importation of articles into the United States.

Subparagraph (B) shall apply (i) only if international trade or monetary agreements to which the United States is a party permit the imposition of quotas as a balance-of-payments measure, and (ii) only to the extent that the fundamental imbalance cannot be dealt with effectively by a surcharge proclaimed pursuant to subparagraph (A). Any temporary import surcharge proclaimed pursuant to subparagraph (A) shall be treated as a regular customs duty.

And insert in lieu thereof:

(a) Whenever fundamental international payments problems require special import measures to restrict imports—

(1) to deal with large and serious United States balance-of-payments deficits,

(2) to prevent an imminent and significant depreciation of the dollar in foreign exchange markets, or

(3) to cooperate with other countries in correcting an international balance-of-payments disequilibrium,

the President shall proclaim, for a period not exceeding 180 days (unless such period is extended by Act of Congress)—

(A) a temporary import surcharge, not to exceed 15 percent ad valorem, in the form of duties (in addition to those already imposed, if any) on articles imported into the United States;

(B) temporary limitations through the use of quotas on the importation of articles into the United States; or

(C) both a temporary import surcharge described in subparagraph (A) and temporary limitations described in subparagraph (B).

The authority delegated under subparagraph (B) (and so much of subparagraph (C) as relates to subparagraph (B)) may be exercised (i) only if international trade or monetary agreements to which the United States is a party permit the imposition of quotas as a balance-of-payments measure, and (ii) only to the extent that the fundamental imbalance cannot be dealt with effectively by a surcharge proclaimed pursuant to subparagraph (A) or (C). Any temporary import surcharge proclaimed pursuant to subparagraph (A) or (C) shall be treated as a regular customs duty.

(b) If the President determines that the imposition of import restrictions under subsection (a) will be contrary to the national interest of the United States, then he may refrain from proclaiming such restrictions and he shall—

(1) immediately inform Congress of his determination, and

(2) immediately convene the group of congressional official advisers designated under section 161(a) and consult with them as to the reasons for such determination.

On page 37, at the beginning of line 14, strike out "(b)" and insert in lieu thereof "(c)."

On page 37, in line 17, strike out the words "a large and persistent United States balance of payments surplus, or", and insert in lieu thereof the words "large and persistent United States balance-of-trade surpluses, as determined

on the basis of the cost-insurance-freight value of imports, as reported by the Bureau of the Census, or."

On page 37, in line 24, after the word "authorized" insert the words "to proclaim."

On page 38, in line 1, strike out the words "a longer period is authorized" and insert in lieu thereof the words "such period is extended."

On page 38, in line 3, strike out the words "to proclaim."

On page 38, in line 6, strike out the words "to proclaim."

On page 38, in line 9, strike out the word "restrictions;" and insert in lieu thereof the word "restriction."

On page 38, beginning at line 10, strike out the following language:

except with respect to those articles where in his judgment such action would cause or contribute to material injury to firms or workers in any domestic industry, including agriculture, mining, fishing, or commerce, or to impairment of the national security, or would otherwise be contrary to the national interest.

And insert in lieu thereof:

Import liberalizing actions proclaimed pursuant to this subsection shall be of broad and uniform application with respect to product coverage except that the President shall not proclaim measures under this subsection with respect to those articles where in his judgment such action will cause or contribute to material injury to firms or workers in any domestic industry, including agriculture, mining, fishing, or commerce, or to impairment of the national security, or will otherwise be contrary to the national interest.

On page 39, at the beginning of line 1, strike out "(c)" and insert in lieu thereof "(d)".

On page 39, in line 10, strike out the word "would" and insert in lieu thereof the word "will".

On page 39, in line 13, strike out the word "surcharge" and insert in lieu thereof the word "action".

On page 40, at the beginning of line 4, strike out "(d)" and insert in lieu thereof "(e)".

On page 40, in line 8, strike out the words "or groups of articles".

On page 40, in line 15, strike out the word "would" and insert in lieu thereof the word "will".

On page 40, at the beginning of line 23, strike out "(e)" and insert in lieu thereof "(f)".

On page 40, in line 24, strike out "(B)" and insert in lieu thereof "(B) or (C)".

On page 40, in line 25, strike out the words "or group of articles".

On page 41, in line 2, after the first word "value" insert the words "which is".

On page 41, in line 3, after the first word "article" strike out the words "or articles".

On page 41, in line 6, after the word "article" strike out the words "or articles".

On page 41, in line 10, after the word "article" strike out the words "or articles".

On page 41, at the beginning of line 12, strike out "(f)" and insert in lieu thereof "(g)".

On page 41, in line 15, after the words "150-day" insert the words "or 180-day".

On page 41, at the end of line 15, strike out the words "effectiveness or" and insert in lieu thereof the words "effectiveness, as applicable, or".

On page 41, at the beginning of line 18, strike out "(g)" and insert in lieu thereof "(h)".

On page 41, beginning at line 21, strike out the following language:

SEC. 123. AUTHORITY TO SUSPEND IMPORT BARRIERS TO RESTRAIN INFLATION.

(a) If, during a period of sustained or rapid price increases, the President determines that supplies of articles, imports of which are dutiable or subject to any other import restriction, are inadequate to meet domestic demand at reasonable prices, he may, either generally or by article or category of articles—

(1) proclaim a temporary reduction in, or suspension of, the duty applicable to any article; and

(2) proclaim a temporary increase in the value or quantity of articles which may be imported under any import restriction.

Proclamations under this section in effect at any time shall not apply to more than 30 percent of the estimated total value of United States imports of all articles during the time such actions are in effect.

(b)(1) The President shall exclude from the application of any proclamation issued under subsection (a) any article if in his judgment such action would cause or contribute to material injury to firms or workers in any domestic industry, including agriculture, mining, fishing, or commerce, or to impairment of the national security, or would otherwise be contrary to the national interest.

(2) The President shall exclude from the application of any proclamation under subsection (a) any article which is the subject of any proclamation under section 22 of the Agricultural Adjustment Act.

(c) The President may, to the extent that such action is consistent with the purposes of this section and the limitations contained in this section, proclaim the modification or termination, in whole or in part, of any proclamation issued under subsection (a).

(d) The President shall promptly notify each House of Congress of any action taken under this section and the reasons therefor.

(e) The effective period for any proclamation issued under this section with respect to any article shall not exceed 150 days (unless a longer period is authorized by Act of Congress); nor shall any article which has been the subject of any proclamation issued under this section be the subject of another proclamation issued under this section until 1 year has expired after the termination of the effective period of such prior proclamation.

On page 43, in line 15, strike out the number "124." and insert in lieu thereof the number "123.".

On page 43, in line 17, after the number "203" strike out "(b)".

On page 43, in line 19, after the word "into" insert the word "trade".

On page 43, in line 20, after the word "countries" insert the words "or instrumentalities".

On page 44, in line 3, after "(b)" insert "(1)".

On page 44, at the begining of line 5, strike out the words "more than 30 percent below" and insert in lieu thereof the words "less than 70 percent of".

On page 44, beginning at line 7, insert the following new language:

(2) Where the rate of duty in effect at any time is an intermediate stage under section 109, the proclamation made pursuant to subsection (a) may provide for the reduction of each rate of duty at each such stage proclaimed under section 101 by not more than 30 percent of such rate of duty, and may provide for a final rate of duty which is not less than 70 percent of the rate of duty proclaimed as the final stage under section 101.

(3) If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitations provided by paragraphs (1) and (2) of this subsection by not more than the lesser of—

(A) the difference between such limitation and the next lower whole number, or

(B) one-half of 1 percent ad valorem.

(4) Any concessions granted under subsection (a)(1) shall be reduced and terminated according to substantially the same time schedule for reduction applicable to the relevant import relief under section 203(h).

On page 45, beginning at line 3, strike out the following language:

(c) No agreement may be entered into under this section during any period in which agreements may be entered into under section 101.

And insert in lieu thereof:

(c) No trade agreement may be entered into under this section with any foreign country or instrumentality if such country or instrumentality has violated trade agreement concessions of benefit to the United States and such violation has not been adequately offset by action of the United States or by such country or instrumentality.

(d) Notwithstanding the provisions of subsection (a), the authority delegated under section 101 shall be used for the purpose of granting new concessions as compensation within the meaning of this section until such authority terminates.

On page 45, in line 16, after the word "SEC." strike out "125. AUTHORITY TO RENEGOTIATE DUTIES." and insert in lieu thereof "124. TWO-YEAR RESIDUAL AUTHORITY TO NEGOTIATE DUTIES."

On page 45, at the beginning of line 23, strike out the words "stated in section 2" and insert in lieu thereof the words "of this Act".

On page 46, in line 10, after the words "duty-free" insert the words "or excise".

On page 46, at the beginning of line 16, strike out the words "more than 20 percent below" and insert in lieu thereof the words "less than 80 percent of".

On page 46, beginning at line 24, insert the following new language:

(3) Where the rate of duty in effect at any time is an intermediate stage under section 109, the proclamation made pursuant to subsection (a) may provide for the reduction of each rate of duty at each such stage proclaimed under section 101 by not more than 20 percent of such rate of duty, and, subject to the limitation in paragraph (2), may provide for a final rate of duty which is not less than 80 percent of the rate of duty proclaimed as the final stage under section 101.

(4) If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitations provided by paragraphs (1) and (2) of this subsection by not more than the lesser of—

(A) the difference between such limitation and the next lower whole number, or

(B) one-half of 1 percent ad valorem.

On page 47, in line 19, strike out the number "126." and insert in lieu thereof the number "125.".

On page 47, in line 22, strike out the word "termination" and insert in lieu thereof the words "termination, in whole or in part,".

On page 48, beginning at line 7, strike out the following language:

(c) Whenever the United States, acting in pursuance of any of its rights or obligations under any trade agreement entered into pursuant to this Act, section 201 of the Trade Expansion Act of 1962, or section 350 of the Tariff Act of 1930, withdraws or suspends any obligation with respect to the trade of any foreign country or instrumentality thereof, the President is authorized, to the extent, at such times, and for such periods as he deems necessary or appropriate, in order to exercise the rights or fulfill the obligations of the United States and consistently with the purposes stated in section 2 and the international obligations of the United States, in addition to exercising the authority contained in subsection (b), to proclaim an increase in any existing duty to a rate not more than 50 percent above the rate existing on July 1, 1934, or 20 percent ad valorem above the rate existing on July 1, 1973, whichever is higher, and to proclaim the withdrawal or suspension of the application, in whole or in part, of the agreement.

And insert in lieu thereof:

(c) Whenever the United States, acting in pursuance of any of its rights or obligations under any trade agreement entered into pursuant to this Act, section 201 of the Trade Expansion Act of 1962, or section 350 of the Tariff Act of 1930, withdraws, suspends, or modifies any obligation with respect to the trade of any foreign country or instrumentality thereof, the President is authorized to proclaim increased duties or other import restrictions, to the extent, at such times, and for such periods as he deems necessary or appropriate, in order to exercise the rights or fulfill the obligations of the United States. No proclamation shall be made under this subsection increasing any existing duty to a rate more than 50 percent above the rate set forth in rate column numbered 2 of the Tariff Schedules of the United States, as in effect on January 1, 1975, or 20 percent ad valorem above the rate existing on July 1, 1975, whichever is higher.

(d) Whenever any foreign country or instrumentality withdraws, suspends, or modifies the application of trade agreement obligations of benefit to the United States without granting adequate compensation therefor, the President, in pursuance of rights granted to the United States under any trade agreement and to the extent necessary to protect United States economic interests (including United States balance of payments), shall—

(1) withdraw, suspend, or modify the application of substantially equivalent trade agreement obligations of benefit to such foreign country or instrumentality, and

(2) proclaim under subsection (c) such increased duties or other import restrictions as are appropriate to effect adequate compensation from such foreign country or instrumentality.

On page 50, at the beginning of line 7, strike out "(d)" and insert in lieu thereof "(e)".

On page 50, in line 12, after the word "agreement" insert the words "or by the withdrawal of the United States from such agreement".

On page 50, in line 14, after the word "termination" insert the words "or withdrawal".

On page 50, in line 16, after the words "level" insert the words "at which".

On page 50, in line 17, srike out the word "of" and insert in lieu thereof these words "after the date of".

On page 50, in line 18, after the word "termination" insert the words "or withdrawal".

On page 50, at the beginning of line 21, insert the words "or withdrawal".

On page 50, at the beginning of line 23, strike out "(e)" and insert in lieu thereof "(f)".

On page 50, in line 24, srike out "(b) or (c)" and insert in lieu thereof "(b), (c), or (d)".

On page 51, in line 2, after the word "heard" insert a comma and the words "unless he determines that such prior hearings will be contrary to the national interest because of the need for expeditious action, in which case he shall provide for a public hearing promptly after such action".

On page 51, in line 6, after the word "SEC." strike out "127. NONDISCRIMINATORY TREATMENT." and insert in lieu thereof "126. RECIPROCAL NONDISCRIMINATORY TREATMENT."

On page 51, at the beginning of line 8, insert "(a)".

On page 51, beginning at line 13, insert the following new language:

(b) The President shall determine, after the conclusion of all negotiations entered into under this Act or at the end of the 5-year period beginning on the date of enactment of this Act, whichever is earlier, whether any major industrial country has failed to make concessions under trade agreements which provide competitive opportunities for the commerce of the United States in such country substantially equivalent to the competitive opportunities, provided by concessions made by the United States under trade agreements, for the commerce of such country in the United States.

(c) If the President determines under subsection (b) that a major industrial country has not made concessions under trade agreements which provide such substantially equivalent competitive opportunities for the commerce of United States, he shall, either generally with respect to such country or by article produced by such country, in order to restore equivalence of competitive opportunities—

(1) proclaim the termination of concessions or refrain from proclaiming benefits of trade agreement concessions made with respect to rates of duty or other import restrictions by the United States under any trade agreement; and

(2) recommend to Congress that any legislation necessary to carry out any trade agreement entered into under section 102 shall not apply to such country.

(d) For purposes of this section, "major industrial country" means Canada, the European Economic Community, the individual member countries of such Community, Japan, and any other foreign country designated by the President for purposes of this subsection.

On page 52, in line 18, strike out the number "128." and insert in lieu thereof the number "127.".

On page 52, beginning at line 25, strike out the following language:

(b) While there is in effect with respect to any article any action taken under section 203 of this Act, or section 232 or 351 of the Trade Expansion Act of 1962 (19 U.S.C. sec. 1862, 1981), the President shall reserve such article from negotiations under this title (and from any action under section 122(b) or (123) contemplating reduction or elimination of any duty or other import restriction. In addition, the President shall also so reserve any other article which he determines to be appropriate, taking into consideration information and advice available pursuant to and with respect to the matters covered by section 131, 132, 133(b), where applicable.

And insert in lieu thereof:

(b) While there is in effect with respect to any article any action taken under section 203 of this Act, or section 232 or 351 of the Trade Expansion Act of 1962 (19 U.S.C. 1862 or 1981), the President shall reserve such article from negotiations under this title (and from any action under section 122(c)) contemplating reduction or elimination of—

(A) any duty on such article,

(B) any import restriction imposed under such section, or

(C) any other import restriction, the removal of which will be likely to undermine the effect of the import restrictions referred to in subparagraph (B).

In addition, the President shall also so reserve any other article which he determines to be appropriate, taking into consideration information and advice available pursuant to and with respect to the matters covered by sections 131, 132, and 133, where applicable.

(c) The President shall submit to the Congress an annual report on section 232 of the Trade Expansion Act of 1962. Within 60 days after he takes any action under such section 232, the President shall report to the Congress the action taken and the reasons therefor.

(d) Section 232 of the Trade Expansion Act of 1962 is amended—

(1) by striking out "Director of the Office of Emergency Planning (hereinafter in this section referred to as the 'Director')" in the first sentence of subsection (b) and inserting in lieu thereof "Secretary of the Treasury (hereinafter referred to as the 'Secretary')";

(2) by striking out "advice from other appropriate departments and agencies" in the first sentence of subsection (b) and inserting in lieu thereof "advice from, and shall consult with, the Secretary of Defense, the Secretary of Commerce, and other appropriate officers of the United States";

(3) by striking out the last sentence of subsection (b) and inserting in lieu thereof the following: "The Secretary shall, if it is appropriate and after reasonable notice, hold public hearings or otherwise afford interested parties an opportunity to present information and advice relevant to such investigation. The Secretary shall report the findings of his investigation under this subsection with respect to the effect of the importation of such article in such quantities or under such circumstances upon the national security and, based on such findings, his recommendation for action or inaction under this section to the President within one year after receiving an application from an interested party or otherwise beginning an investigation under this subsection. If the Secretary finds that such article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall so advise the President and the President shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not threaten to impair the national security, unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security."; and

(4) by striking out "Director" each place it appears in subsections (c) and (d) and inserting in lieu thereof "Secretary".

On page 56, in line 3, strike out the word "Tariff" and insert in lieu thereof the words "International Trade".

On page 56, in line 6, strike out "124 or 125" and insert in lieu thereof "123 or 124".

On page 56, in line 7, strike out the words "Tariff Commission" and insert in lieu thereof the words "International Trade Commission (hereafter in this section referred to as the 'Commission')".

On page 56, in line 17, after the word "list" insert the words "or, in the case of a list submitted in connection with a trade agreement authorized under section 123, within 90 days after receipt of such list".

On page 56, in line 20, strike out the word "Tariff".

On page 57, in line 3, strike out the word "Tariff".

On page 57, in line 6, strike out the number "103" and insert in lieu thereof the number "107".

On page 57, in line 9, strike out the word "Tariff".

On page 57, in line 16, strike out the word "Tariff".

On page 58, in line 20, strike out the word "Tariff".

On page 58, in line 25, strike out "124 or 125" and insert in lieu thereof "123 or 124".

On page 59, in line 8, strike out "124 or 125" and insert in lieu thereof "123 or 124".

On page 59, in line 22, strike out "124 or 125," and insert in lieu thereof "123 or 124,".

On page 59, in line 24, strike out the word "duty" and insert in lieu thereof the words "duty, import restriction, or other barrier to (or other distortion of) international trade".

On page 60, in line 2, strike out the word "duties" and insert in lieu thereof the words "duties, import restrictions, or barriers to (or other distortions of) international trade,".

On page 60, in line 7, strike out the following language:

In addition, the President may make such an offer only after he has received advice concerning such article from the Tariff Commission under section 131(b), or after the expiration of the relevant 6-month period provided for in that section, whichever first occurs.

And insert in lieu thereof:

In addition, the President may make an offer for the modification or continuance of any United States duty, the continuance of United States duty-free or excise treatment, or the imposition of additional duties, with respect to any article included in a list published and furnished under section 131(a), only after he has received advice concerning such article from the International Trade Commission under section 131(b), or after the expiration of the 6-month or 90-day period provided for in that section, as appropriate, whichever first occurs.

On page 61, in line 8, after the word "agriculture," insert the words "service industries,".

On page 61, in line 12, strike out the words "at the expiration of 5 years from the date of the enactment of this Act" and insert in lieu thereof the words "upon submission of its report required under subsection (e)(2)".

On page 61, beginning at line 22, insert the following new language:

(c)(1) The President may, on his own initiative or at the request of organizations representing industry, labor, or agriculture, establish general policy advisory committees for industry, labor, and agriculture, respectively, to provide general policy advice on any trade agreement referred to in section 101 or 102. Such committees shall, insofar as practicable, be representative of all industry, labor, or agricultural interests, respectively, and shall be organized by the President acting through the Special Representative for Trade Negotiations and the Secretaries of Commerce, Labor, and Agriculture, as appropriate.

On page 62, in line 9, strike out the words "(c) In addtion to the Committee established under subsection (b), the" and insert in lieu thereof "(2) The".

On page 62, in line 11, strike out the word "product".

On page 62, in line 12, after the word "agricultural" insert the word "sector".

On page 62, in line 20, strike out "(1)" and insert in lieu thereof "(A)".

On page 62, in line 21, strike out "(2)" and insert in lieu thereof "(B)".

On page 63, beginning at line 15, insert the following new language:

(e)(1) The Advisory Committee for Trade Negotiations, each appropriate policy advisory committee, and each sector advisory committee, if the sector which such committee represents is affected, shall meet at the conclusion of negotiations for each trade agreement entered into under this Act, to provide to the President, to Congress, and to the Special Representative for Trade Negotiations a report on such agreement. The report of the Advisory Committee for Trade Negotiations and each appropriate policy advisory committee shall include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and the report of the appropriate sector committee shall include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sector.

(2) The Advisory Committee for Trade Negotiations, each policy advisory committee, and each sector advisory committee shall issue a report to the Congress as soon as is practical after the end of the period which ends 5 years after the date of enactment of this Act. The report of the Advisory Committee for Trade Negotiations and each policy advisory committee shall include an advisory opinion as to whether and to what extent trade agreements entered into under this Act, taken as a whole, serve the economic interests of the United States. The report of each sector advisory committee shall include an advisory opinion on the degree to which trade agreements entered into under this Act which affect the sector represented by each such committee, taken as a whole, provide for equity and reciprocity within that sector.

On page 64, in line 19, strike out "(e)" and insert in lieu thereof "(f)".

On page 65, in line 2, after the word "section 10" insert the words "and section 11".

On page 65, beginning at line 11, strike out the following language:

(f) Information received in confidence by the Advisory Committee for Trade Negotiations or by any advisory committee established under subsection (c) shall not be disclosed to any person other than to officers or employees of the United States designated by the Special Representative for Trade Negotiations, by the Committee on Ways and Means of the House of Representatives, or by the Committee on Finance of the Senate to receive such information for use in connection with negotiation of a trade agreement referred to in section 101 or 102.

And insert in lieu thereof:

(g)(1)(A) Trade secrets and commercial or financial information which is privileged or confidential, submitted in confidence by the private sector to officers or employees of the United States in connection with trade negotiations, shall not be disclosed to any person other than to—

(i) officers and employees of the United States designated by the Special Representative for Trade Negotiations, and

(ii) members of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate who are accredited as official advisers under section 161(a) or are designated by the chairman of either such committee under section 161(b)(2), and members of the staff of either such committee designated by the chairman under section 161(b)(2),

for use in connection with negotiation of a trade agreement referred to in section 101 or 102.

(B) Information, other than that described in paragraph (A), and advice submitted in confidence by the private sector to officers or employees of the United States, to the Advisory Committee for Trade Negotiations or to any advisory committee established under subsection (c), in connection with trade negotiations, shall not be disclosed to any person other than—

(i) the individuals described in subparagraph (A), and

(ii) the appropriate advisory committees established under this section.

(2) Information submitted in confidence by officers or employees of the United States to the Advisory Committee for Trade Negotiations, or to any advisory committee established under subsection (c), shall not be disclosed other than in accordance with rules issued by the Special Representative for Trade Negotiations and the Secretary of Commerce, Labor or Agriculture, as appropriate, after consultation with the relevant advisory committees established under subsection (c). Such rules shall define the categories of information which require restricted or confidential handling by such committee considering the extent to which public disclosure of such information can reasonably be expected to prejudice United States negotiating objectives. Such rules shall, to the maximum extent feasible, permit meaningful consultations by advisory committee members with persons affected by proposed trade agreements.

On page 67, in line 15, strike out "(g)" and insert in lieu thereof "(h)".

On page 67, in line 22, strike out "(h)" and insert in lieu thereof "(i)".

On page 68, in line 20, strike out "(i)" and insert in lieu thereof "(j)".

On page 68, in line 23, after the word "informal" insert the words "and, if such information is submitted under the provisions of subsection (g), confidential".

On page 69, in line 1, after the word "agriculture," insert the words "service industries,".

On page 69, in line 5, strike out "(j)" and insert in lieu thereof "(k)".

On page 69, in line 14, after the word "established" insert the words "within the Executive Office of the President".

On page 69, in line 21, after the words "the Senate." insert the words "As an exercise of the rulemaking power of the Senate, any nomination of the Special

Representative for Trade Negotiations submitted to the Senate for confirmation, and referred to a committee, shall be referred to the Committee on Finance."

On page 70, in line 8, after the words "the Senate." insert the words "As an exercise of the rulemaking power of the Senate, any nomination of a Deputy Special Representative submitted to the Senate for confirmation, and referred to a committee, shall be referred to the Committee on Finance."

On page 70, beginning at line 19, strike out the following language:

(B) be responsible to the President and to Congress for the administration of trade agreements programs under this Act and the Trade Expansion Act of 1962;

And insert in lieu thereof:

(B) report directly to the President and the Congress, and be responsible to the President and the Congress for the administration of trade agreements programs under this Act, the Trade Expansion Act of 1962, and section 350 of the Tariff Act of 1930;

On page 73, in line 6, strike out the words "665(b) of title 31, United States Code" and insert in lieu thereof the words "3679(b) of the Revised Statutes (31 U.S.C. 665(b))".

On page 73, beginning at line 17, insert the following new language:

(f) There are authorized to be appropriated to the Office of Special Representative for Trade Negotiations such amounts as may be necessary for the purpose of carrying out its functions for fiscal year 1976 and each fiscal year thereafter any part of which is within the 5-year period beginning on the date of the enactment of this Act.

(g)(1) The Office of Special Representative for Trade Negotiations established under Executive Order No. 11075 of January 15, 1963, as amended, is abolished.

(2) The assets, liabilities, contracts, property, and records and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, or available to such Office are transferred to the Office of Special Representative for Trade Negotiations established under subsection (a) of this section.

On page 74, in line 10, strike out "(f)" and insert in lieu thereof "(h)".

On page 74, in line 14, strike out the word "confirmed" and insert in lieu thereof the word "appointed".

On page 74, in line 16, after the words "paragraph (1)" insert the words "of subsection (b)".

On page 75, in line 1, strike out "DISAPPROVAL".

On page 75, beginning at line 4, insert the following new language:

SEC. 151. BILLS IMPLEMENTING TRADE AGREEMENTS ON NONTARIFF BARRIERS AND RESOLUTIONS APPROVING COMMERCIAL AGREEMENTS WITH COMMUNIST COUNTRIES

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This section and section 152 are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of implementing bills described in subsection (b)(1), implementing revenue bills described in subsection (b)(2), approval resolutions described in subsection (b)(3), and resolutions described in section 152(a); and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) DEFINITIONS.—For purposes of this section—

(1) The term "implementing bill" means only a bill of either House of Congress which is introduced as provided in subsection (c) with respect to one or more trade agreements submitted to the House of Representatives and the Senate under section 102 and which contains—

(A) a provision approving such trade agreement or agreements,

(B) a provision approving the statement of administrative action (if any) proposed to implement such trade agreement or agreements, and

(C) if changes in existing laws or new statutory authority is required to implement such trade agreement or agreements, provisions, necessary or appropriate to implement such trade agreement or agreements, either repealing or amending existing laws or providing new statutory authority.

(2) The term "implementing revenue bill" means an implementing bill which contains one or more revenue measures by reason of which it must originate in the House of Representatives.

(3) The term "approval resolution" means only a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: "That the Congress approves the extension of nondiscriminatory treatment with respect to the products of ——— transmitted by the President to the Congress on ———.", the first blank space being filled with the name of the country involved and the second blank space being filled with the appropriate date.

(c) INTRODUCTION AND REFERRAL.—

(1) On the day on which a trade agreement is submitted to the House of Representatives and the Senate under section 102, the implementing bill submitted by the President with respect to such trade agreement shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such a trade agreement is submitted, the implementing bill shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. Such bills shall be referred by the Presiding Officers of the respective Houses to the appropriate committee, or, in the case of a bill containing provisions within the jurisdiction of two or more committees, jointly to such committees for consideration of those provisions within their respective jurisdictions.

(2) On the day on which a bilateral commercial agreement, entered into under title IV of this Act after the date of the enactment of this Act, is transmitted to the House of Representatives and the Senate, an approval resolution with respect to such agreement shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such an agreement is transmitted, the approval resolution with respect to such agreement shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. The approval resolution introduced in the House shall be refrered to the Committee on Ways and Means and the approval resolution introduced in the Senate shall be referred to the Committee on Finance.

(d) AMENDMENTS PROHIBITED.—No amendment to an implementing bill or approval resolution shall be in order in either the House of Representatives or the Senate; and no motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this subsection by unanimous consent.

(e) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—

(1) Except as provided in paragraph (2), if the committee or committees of either House to which an implementing bill or approval resolution has been referred have not reported it at the close of the 45th day after its introduction, such committee or committees shall be automatically discharged from further consideration of the bill or resolution and it shall be placed on the appropriate calendar. A vote on final passage of the bill or resolution shall be taken in each House on or before the close of the 15th day after the bill or resolution is reported by the committee or committees of that House to which it was referred, or after such committee or committees have been discharged from further consideration of the bill or resolution. If prior to the passage by one House of an implementing bill or approval resolution of that House, that House receives the same implementing bill or approval resolution from the other House, then—

(A) the procedure in that House shall be the same as if no implementing bill or approval resolution had been received from the other House; but

(B) the vote on final passage shall be on the implementing bill or approval resolution of the other House.

(2) The provisions of paragraph (1) shall not apply in the Senate to an implementing revenue bill. An implementing revenue bill received from the House shall be referred to the appropriate committee or committees of the Senate. If such committee or committees have not reported such bill at the close of the 15th day after its receipt by the Senate (or, if later, before the close of the 45th day after the corresponding implementing revenue bill was introduced in the Senate), such committee or committees shall be automatically discharged from further consideration of such bill and it shall be placed on the calendar. A vote on final passage of such bill shall be taken in the Senate on or before the close of the 15th day after such bill is reported by the committee or committees of the Senate to which it was referred, or after such committee or committees have been discharged from further consideration of such bill.

(3) For purposes of paragraphs (1) and (2), in computing a number of days in either House, there shall be excluded any day on which that House is not in session.

(f) FLOOR CONSIDERATION IN THE HOUSE.—

(1) A motion in the House of Representatives to proceed to the consideration of an implementing bill or approval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on an implementing bill or approval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the bill or resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit an implementing bill or approval resolution or to move to reconsider the vote by which an implementing bill or approval resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of an implementing bill or approval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to an implementing bill or approval resolution shall be decided without debate.

(5) Except to the extent specificially provided in the preceding provisions of this subsection, consideration of an implementing bill or approval resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similiar circumstances.

(g) FLOOR CONSIDERATION IN THE SENATE.—

(1) A motion in the Senate to proceed to the consideration of an implementing bill or approval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on an implementing bill or approval resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with an implementating bill or approval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of an implementing bill or approval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate is not debatable. A motion to recommit an implementing bill or approval resolution is not in order.

On page 84, beginning at line 1, strike out the following language:

SEC. 151. RESOLUTIONS DISAPPROVING THE ENTERING INTO FORCE OF TRADE AGREEMENTS ON DISTORTIONS OF TRADE OR DISAPPROVING CERTAIN OTHER ACTIONS

(a) RULES OF HOUSE OF REPRESENTATIVES AND SENATE ON SUCH RESOLUTIONS. This chapter is enacted by the Congress.

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described in subsection (b); and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) TERMS OF RESOLUTION.

(1) For purposes of this section, the term "resolution" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the ——— does not favor ——— transmitted to Congress by the President on ———", the first blank space therein being filled with the name of the resolving House, the third blank space therein being appropriately filled with the day and year, and the second blank space therein being filled in accordance with paragraph (2).

(2) The second blank space referred to in paragraph (1) shall be filled as follows:

(A) in the case of a resolution relating to the entering into force of a trade agreement under section 102(f), with the phrase "the entering into force of the trade agreement;"

(B) in the case of a resolution referred to in section 204(b), with the phrase "the taking effect or the continuation in effect of the proposed action under paragraph (3) or (4) of section 203(b) of the Trade Reform Act of 1973";

(C) in the case of a resolution referred to in section 302(b), with the phrase "the taking effect or the continuation in effect of action under section 301 of the Trade Reform Act of 1973"; and

(D) in the case of a resolution referred to in section 406(c), with the phrase "the entering into force or the continuing in effect of nondiscriminatory treatment with respect to the products of ———"

(with this blank space being filled by the name of the appropriate country).

(c) REFERENCE OF RESOLUTION TO COMMITTEE.—A resolution disapproving the entering into force of a trade agreement under section 102(f) shall be referred to the committee or committees of each House which would have jurisdiction over proposed legislation relating to matters covered by the proclamation and orders submitted with such agreement. A resolution referred to in section 204(b), 302(b), or 406(c), shlal be referred to the Committee on Ways and Means of the House of Representatives or to the Committee on Finance of the Senate, as the case may be.

(d) DISCHARGE OF COMMITTEE CONSIDERING RESOLUTION.—

(1) If the committee to which a resolution has been referred has not reported it at the end of 7 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the agreement which has been referred to the committee.

(2) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported as resolution with respect to the same matter), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same matter.

(e) PROCEDURE AFTER REPORT OR DISCHARGE OF COMMITTEE; DEBATE.—

(1) When the committee has reported, or has been discharged from further consideration of, a resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(f) DECISIONS WITHOUT DEBATE ON MOTION TO POSTPONE OR PROCEED.—

(1) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(2) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any resolution shall be decided without debate.

And insert in lieu thereof:

SEC. 152. RESOLUTIONS DISAPPROVING CERTAIN ACTIONS.

(a) CONTENTS OF RESOLUTIONS.—

(1) For purposes of this section, the term "resolution" means only—

(A) a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: "That the Congress does not approve ——— transmitted to the Congress on ———.", the first blank space being filled in accordance with paragraph (2) and the second blank space being filled with the appropriate date; and

(B) a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: "That the ——— does not approve ——— transmitted to the Congress on ———.", with the first blank space being filled with the name of the resolving House, the second blank space being filled in accordance with paragraph (3), and the third blank space being filled with the appropriate date.

(2) The first blank space referred to in paragraph (1)(A) shall be filled as follows:

(A) in the case of a resolution referred to in section 203(c), with the phrase "the action taken by the President under section 203 of the Trade Reform Act of 1974"; and

(B) in the case of a resolution referred to in section 302(b), with the phrase "the action taken by the President under section 301 of the Trade Reform Act of 1974".

(3) The second blank space referred to in paragraph (1)(B) shall be filled as follows:

(A) in the case of a resolution referred to in section 303(e) of the Tariff Act of 1930, with the phrase "the determination of the Secretary of the Treasury under section 303 (d) of the Tariff Act of 1930";

(B) in the case of a resolution referred to in section 407(c)(2), with the phrase "the extension of nondiscriminatory treatment with respect to the products of ———" (with this blank space being filled with the name of the country involved; and

(C) in the case of a resolution referred to in section 407(c)(3), with the phrase "the report of the President submitted under section ——— of the Trade Reform Act of 1974 with respect to ———" (with the first blank space being filled with "402(b)" or "403(b)", as appropriate, and the second blank space being filled with the name of the country involved).

(b) REFERENCE TO COMMITTEES.—All resolutions introduced in the House of Representatives shall be referred to the Committee on Ways and Means and all resolu-

tions introduced in the Senate shall be referred to the Committee on Finance.

(c) DISCHARGE OF COMMITTEES.—

(1) If the committee of either House to which a resolution has been referred has not reported it at the end of 30 days after its introduction, not counting any day which is excluded under section 153(b), it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same matter, except no motion to discharge shall be in order after the committee has reported a resolution with respect to the same matter.

(2) A motion to discharge under paragraph (1) may be made only by an individual favoring the resolution, and is highly privileged in the House and privileged in the Senate; and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the resolution, and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(d) FLOOR CONSIDERATION IN THE HOUSE.—

(1) A motion in the House of Representatives to proceed to the consideration of a resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on a resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order. It shall not be in order to move to reconsider the vote by which a resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of a resolution in the House of Representatives shall be governed by the Rules of the House of Representatives applicable to other resolutions in similar circumstances.

(e) FLOOR CONSIDERATION IN THE SENATE.—

(1) A motion in the Senate to proceed to the consideration of a resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

(f) SPECIAL RULE FOR CONCURRENT RESOLUTIONS.—In the case of a resolution described in subsection (a)(1), if prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to the same matter from the other House, then—

(1) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(2) the vote on final passage shall be on the resolution of the other House.

On page 94, in line 15, strike out the number "152." and insert in lieu thereof the number "153".

On page 94, in line 16, strike out the word "DISAPPROVAL".

On page 94, in line 17, strike out "102(f), 204(b), 302(b), or 406 (a) and (b)," and insert in lieu thereof "102(e), 203(b), 302(a), or 407(a) or (b), or section 303(e) of the Tariff Act of 1930".

On page 95, in line 1, strike out the words "section 102(f)(3), 204(b), 302 (b), and 406(c)," and insert in lieu thereof the words "sections 203(c), 302 (b), 407(c)(2), and 407(c)(3)".

On page 95, beginning at line 14, strike out the following language:

At the beginning of each regular session of the Congress, the President shall, upon the recommendation of the Speaker of the House of Representatives, select five members (not more than three of whom shall be of the same political party) of the Committee on Ways and Means, and shall, upon the recommendation of the President of the Senate, select five members (not more than three of whom shall be of the same political party) of the Committee on Finance, who shall be accredited as official advisers to the United States delegation to international conferences, meetings, and negotiation sessions with respect to trade agreements. Any individual so selected may be reselected under this section.

And insert in lieu thereof:

(a) At the beginning of each regular session of Congress, the Speaker of the House of Representatives, upon the recommendation of the chairman of the Committee on Ways and Means, shall select five members (not more than three of whom are members of the same political party) of such committee, and the President pro tempore of the Senate, upon the recommendation of the chairman of the Committee on Finance, shall select five members (not more than three of whom are members of the same political party) of such committee, who shall be accredited by the President as official advisers to the United States delegations to international conferences, meetings, and negotiation sessions relating to trade agreements.

(b)(1) The Special Representative for Trade Negotiation shall keep each official adviser currently informed on United States negotiating objectives, the status of negotiations in progress, and the nature of any changes in domestic law or the administration thereof which may be recommended to Congress to carry out any trade agreement.

(2) The chairmen of the Committee on Ways and Means and the Committee on Finance may designate members (in addition to the official advisors under subsection (a)) and staff members of their respective committees who shall have access to the information provided to official advisers under paragraph (1).

On page 97, in line 5, strike out the numbers "124 or 125" and insert in lieu thereof the numbers "123 or 124".

On page 97, in line 10, strike out the word "Tariff" and insert in lieu thereof the words "International Trade".

On page 97, in line 21, strike out the words "workers and firms" and insert in lieu thereof the words "workers, firms, and communities".

On page 98, in line 18, after the word "thereunder." insert the following:

Such report shall also include information regarding the number of applications filed for adjustment assistance for workers, firms, and communities, the number of such applications which were approved, and the extent to which adjustment assistance has been provided under such approved applications.

On page 98, in line 24, strike out the word "Tariff" and insert in lieu thereof the words "International Trade".

On page 99, beginning at line 1, insert the following new language:

Chapter 7—UNITED STATES INTERNATIONAL TRADE COMMISSION

SEC. 171. CHANGE OF NAME OF TARIFF COMMISSION.

(a) The United States Tariff Commission (established by section 330 of the Tariff Act of 1930) is renamed as the United States International Trade Commission.

(b) Any reference in any law of the United States, or in any order, rule, regulation, or other document, to the United States Tariff Commission (or the Tariff Commission) shall be considered to refer to the United States International Trade Commission.

SEC. 172. ORGANIZATION OF THE COMMISSION.

(a) Subsections (a) and (b) of section 330 of the Tariff Act of 1930 (19 U.S.C. 1330) are amended to read as follows:

"(a) MEMBERSHIP.—The United States International Trade Commission (referred to in this title as the "Commission") shall be composed of seven commissioners who shall be appointed by the President, by and with the advice and consent of the Senate. No person shall be eligible for appointment as a commissioner unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of international trade problems and efficiency in administering the duties and functions of the Commission. A person who has served as a commissioner for more than 7 years (excluding service as a commissioner before the date of the enactment of the Trade Reform Act of 1974) shall not be eligible for reappointment as a commissioner. Not more than four of the commissioners shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"(b) TERMS OF OFFICE.—The terms of office of the commissioners holding office on the date of the enactment of the Trade Reform Act of 1974 which (but for this sentence) would expire on June 16, 1975, June 16, 1976, June 16, 1977, June 16, 1978, June 16, 1979, and June 16, 1980, shall expire on June 16, 1976, June 16, 1978, June 16, 1980, June 16, 1982, June 16, 1984, and June 16, 1986, respectively. The term of office of each commissioner appointed after such date shall expire 14 years from the date of the expiration of the term for which his predecessor was appointed, except that—

"(1) the term of the first commissioner appointed by reason of the increase in the

number of commissioners to seven shall expire on June 16, 1988; and

"(2) any commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed for the remainder of such term."

(b) Subsection (c) of such section is amended—

(1) by striking out "The" in the first sentence and inserting in lieu thereof "(1) Except as provided in paragraph (2), the"; and

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

"(2) Effective on June 17, 1976, the commissioner whose term is first to expire shall serve as chairman during the last 2 years of his term (or, in the case of a commissioner appointed to fill a vacancy occurring in the last 2 years of a term, during the remainder of his term), and the commissioner whose term is second to expire shall serve as vice chairman during the same 2-year period (or, in the case of a commissioner appointed to fill a vacancy occurring during the last 3d or 4th year of a term, during the remainder of such 2-year period)."

(c) (1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(60) Chairman, United States International Trade Commission."

(2) Section 5315 of such title is amended by striking out paragraph (24) and inserting in lieu thereof the following:

"(24) Members, United States International Trade Commission."

(3) Section 5316 of such title is amended by striking out paragraph (93).

SEC. 173. VOTING RECORD OF COMMISSIONERS.

Section 332(g) of the Tariff Act of 1930 (31 U.S.C. 1332(g)) is amended—

(1) by striking out "and" before "a summary", and

(2) by inserting before the period at the end ", and a list of all votes taken by the commission during the year, showing those commissioners voting in the affirmative and the negative on each vote and those commissioners not voting on each vote and the reasons for not voting".

SEC. 174. REPRESENTATION IN COURT PROCEEDINGS.

Section 333(c) of the Tariff Act of 1930 (19 U.S.C. 1333(c)) is amended—

(1) by striking out "Upon application of the Attorney General of the United States, at" in subsection (c) and inserting in lieu thereof "At", and

(2) by adding at the end thereof the following new subsection:

"(g) REPRESENTATION IN COURT PROCEEDINGS.—The Commission shall be represented in all judicial proceedings by attorneys who are employees of the commission or, at the request of the commission, by the Attorney General of the United States."

SEC. 175. INDEPENDENT BUDGET AND AUTHORIZATION OF APPROPRIATIONS.

(a) (1) Effective with respect to the fiscal year beginning October 1, 1976, for purposes of the Budget and Accounting Act, 1921 (31 U.S.C. 1 et seq.), estimated expenditures and proposed appropriations for the United States International Trade Commission shall be transmitted to the President on or before October 15 of the year preceding the beginning of each fiscal year and shall be included by him in the Budget without revision, and the Commission shall not be considered to be a department or establishment for purposes of such Act.

(2) Section 3679 of the Revised Statutes (31 U.S.C. 665) is amended by inserting "the United States International Trade Commission," before ", or the District of Columbia" each place it appears in subsections (d) and (g).

(b) Section 330 of the Tariff Act of 1930 (19 U.S.C. 1330) is amended by adding at the end thereof the following new subsection:

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the fiscal year beginning October 1, 1976, and each fiscal year thereafter, there are authorized to be appropriated to the Commission only such sums as may hereafter be provided by law.".

(c) (1) Paragraph (2) is enacted as an exercise of the rulemaking power of the Senate and with full recognition of the constitutional right of the Senate to change its rules at any time.

(2) Paragraph 6(a) of rule XVI of the Standing Rules of the Senate is amended by adding at the end of the table contained therein the following:

"Committee on Finance ---- For the International Trade Commission.".

On page 104, line 14, strike out the word "TARIFF" and insert in lieu thereof the words "INTERNATIONAL TRADE".

On page 104, in line 18, strike out the words "Tariff Commission" and insert in lieu thereof the words "International Trade Commission (hereinafter in this chapter referred to as the "Commission")".

On page 105, in line 5, strike out the word "Tariff".

On page 105, in line 13, strike out the word "Tariff".

On page 105, in line 20, strike out the word "Tariff".

On page 106, in line 8, after the word "an" insert the word "absolute".

On page 106, in line 9, strike out the words "(either actual or relative to domestic production)".

On page 106, in line 14, strike out the word "Tariff".

On page 107, in line 2, strike out the word "Tariff".

On page 107, in line 8, strike out the word "Tariff".

On page 107, in line 11, strike out the word "Tariff".

On page 107, in line 16, strike out the word "Tariff".

On page 107, in line 20, strike out the word "Tariff".

On page 107, beginning at line 24, strike out the following language:

(d) (1) The Tariff Commission shall report to the President its findings under subsection (b) and the basis therefor and shall include in each report any dissenting or separate views. If the Tariff Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in subsection (b), it shall find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury and shall include such finding in its report to the President. The Tariff Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

And insert in lieu thereof:

(d) (1) The Commission shall report to the President its findings under subsection (b), and the basis therefor and shall include in each report any dissenting or separate views. If the Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in subsection (b), it shall—

(A) find the amount of the increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury, or

(B) if it determines that adjustment assistance under chapters 2, 3, and 4 can effectively remedy such injury, recommend the provision of such assistance,

and shall include such findings or recommendation in its report to the President. The Commission shall furnish to the President a transcript of the hearings and any briefs which were submitted in connection with each investigation.

On page 109, in line 3, strike out the word "Tariff".

On page 109, in line 9, strike out the word "Tariff".

On page 109, in line 14, strike out the word "Tariff".

On page 109, in line 18, strike out the word "Tariff".

On page 109, in line 20, strike out the word "Tariff".

On page 110, in line 9, strike out the word "Tariff".

On page 110, beginning at line 17, strike out the following language:

(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 201(b) that increased imports have been a substantial cause of serious injury or threat thereof with respect to an injury—

(1) the President shall evaluate the extent to which adjustment assistance has been made available (or can be made available) under chapters 2 and 3 to the workers and firms in such industry, and, after such evaluation, may direct the Secretary of Labor and the Secretary of Commerce that expeditious consideration be given to petitions for adjustment assistance; and

(2) the President may provide import relief for such industry pursuant to section 203.

(b) Within 60 days (30 days in the case of a supplemental report under subsection (d)) after receiving a report from the Tariff Commission containing an affirmative finding under section 201(b) (or a finding under section 201(b) which he may treat as an affirmative finding by reason of section 330(d) of the Tariff Act of 1930), the President shall make his determination whether to provide import relief pursuant to section 203. If the President determines not to provide import relief, he shall immediately submit a report to the House of Representatives and to the Senate stating the considerations on which his decision was based.

And insert in lieu thereof:

(a) After receiving a report from the Commission containing an affirmative finding under section 201(b) that increased imports have been a substantial cause of serious injury or the threat thereof with respect to an industry, the President—

(1) (A) shall provide import relief for such industry pursuant to section 203, and

(B) shall evaluate the extent to which adjustment assistance has been made available (or can be made available) under chapters 2, 3, and 4 of this title to the workers and firms in such industry and to the communities in which such workers and firms are located, and, after such evaluation, may direct the Secretary of Labor and the Secretary of Commerce that expeditious consideration be given to the petitions for adjustment assistance; or

(2) if the Commission, under section 201 (d), recommends the provision of adjustment assistance, shall direct the Secretaries of Labor and Commerce as described in paragraph (1) (B).

(b) Within 60 days after receiving a re-

upon imports into the United States in response to balance-of-payments disequilibria;

(8) to provide for full participation by private advisory bodies representing the interests of major segments of our economy affected by international trade;

(9) to provide for close and continuing congressional oversight of international trade negotiations and the implementation ~~and operation of international trade agreements~~

(10) to rename the United States Tariff Commission as the United States International Trade Commission and to strengthen the independence of the Commission;

(11) to assure greater access to and more effective delivery of import relief to industries which may be seriously injured or threatened with serious injury from increased imports;

(12) to establish a program of adjustment assistance for communities adversely affected by imports and to improve existing adjustment assistance programs for workers and firms;

(13) to improve the procedures for responding to unfair trade practices in the United States and abroad;

(14) to authorize the President to extend nondiscriminatory treatment upon certain conditions, to countries not presently enjoying such treatment and to provide adequate safeguards against market disruption by imports into the United States from Communist countries; and

(15) to authorize the President to extend preferential tariff treatment to the exports of less-developed countries to encourage diversification and development of exports from the developing world.

On page 12, in line 14, strike out "stated in section 2" and insert in lieu thereof "of this Act".

On page 13, beginning at line 1, strike out the following language:

(b)(1) Except as provided in paragraph (2), no proclamation pursuant to subsection (a)(2) shall be made —

(A) in the case of a rate of duty existing on July 1, 1973 which is 25 percent ad valorem or less, decreasing such rate of duty to a rate below 40 percent of the rate existing on July 1, 1973; or

(B) in the case of a rate of duty existing on July 1, 1973, which is more than 25 percent ad valorem, decreasing such rate of duty to a rate below the higher of the following:

(i) 25 percent of the rate existing on July 1, 1973, or

(ii) 10 percent ad valorem.

(2) Paragraph (1) shall not apply in the case of any article for which the rate of duty existing on July 1, 1973, is not more than 5 percent ad valorem.

And insert in lieu thereof:

(b)(1) Except as provided in paragraph (2), no proclamation pursuant to subsection (a)(2) shall be made decreasing a rate of duty to a rate below 50 percent of the rate existing on January 1, 1975.

(2) Paragraph (1) shall not apply in the case of any article for which the rate of duty existing on January 1, 1975, is not more than 10 percent ad valorem.

On page 13, beginning at line 24, strike out the following language:

(c) (1) Except as otherwise provided in paragraph (2), no proclamation shall be made pursuant to subsection (a)(2) increasing any rate of duty to (or imposing) a rate above the higher of the following: (A) the rate which is 50 percent above the rate existing on July 1, 1934, or (B) the rate which is 20 percent ad valorem above the rate existing on July 1, 1973.

(2) The limitation set forth in paragraph (1) may be exceeded with respect to the conversion by the United States of a barrier to (or other distortion of) international trade into a rate of duty which affords substantially equivalent protection, to the extent that it is necessary to exceed such limitation to effectuate such conversion.

And insert in lieu thereof:

~~(c) No proclamation shall be made~~ pursuant to subsection (a)(2) increasing any rate of duty to, or imposing a rate above the higher of the following:

(1) the rate which is 50 percent above the rate set forth in rate column numbered 2 of the Tariff Schedules of the United States as in effect on January 1, 1975, or

(2) the rate which is 20 percent ad valorem above the rate existing on January 1, 1975.

On page 15, in line 2, after the word "concessions," insert the words "adversely affecting the United States economy, preventing fair and equitable access to supplies,".

On page 15, in line 8, strike out the words "reduce or eliminate" and insert in lieu thereof the words "harmonize, reduce, or eliminate such".

On page 15, in line 14, strike out the words "reduction or" and insert in lieu thereof the words "harmonization, reduction, or".

On page 15, beginning at line 20, strike out the following language:

(b)(1) Whenever the President determines that any existing barriers to (or other foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes stated in section 2 will be prompted thereby, the President, during the 5 year period beginning on the date of the enactment of this Act, may enter into trade agreements with foreign countries or instrumentalities providing for the reduction or elimination of such barriers or other distortions.

(2) Except as provided in subsection (g)(1), no trade agreement entered into under this section may provide for any modification in a rate of duty imposed by the United States.

(c)(1) A principal United States negotiating objective under this section shall be to obtain, with respect to each product sector of manufacturing and with respect to the agricultural sector, competitive opportunities for United States exports to the developed countries of the world equivalent to the competitive opportunities afforded in United States markets to the importation of like or similar products, taking into account all barriers (including tariffs) to and other distortions of international trade affecting that sector.

(2) To the maximum extent appropriate to the achievement of the negotiating objective set forth in paragraph (1), trade agreements entered into under this section shall be negotiated, to the extent feasible, on the basis of each product sector of manufacturing and on the basis of the agricultural sector.

(3) For purposes of this subsection and of section 135, the Special Representative for Trade Negotiations together with the Secretary of Commerce or Agriculture, as appropriate shall, after consultation with the Advisory Committee for Trade Negotiations established by section 135 and after consultation with interested private organizations, define appropriate product sectors of manufacturing.

(4) The President shall include in his statement on each trade agreement submitted to each House of the Congress pursuant to section 102(a), a sector by sector analysis of the extent to which the objective set forth in paragraph (1) has been achieved

(d) Before the President enters into any trade agreement under this section providing for the reduction or elimination of a barrier to (or other distortion of) international trade, he shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(e)(1) Whenever—

(A) the President enters into a trade agreement under this section providing for the reduction or elimination of a barrier to (or other distortion of) international trade, and

(B) the President submits such agreement (and the proclamations and orders proposed to be issued for the purpose of implementing such agreement) to the Congress for its approval in accordance with subsection (f),

such agreement shall enter into force with respect to the United States, and such proclamations and orders shall take effect if (and only if) the provisions of subsection (f) are complied with.

(2) The procedure set forth in subsection (f) may be used with respect to a trade agreement whether or not the implementation of such agreement requires further action by the Congress.

(f) Any trade agreement submitted to the Congress under this subsection shall enter into force with respect to the United States, and the proclamations and orders required or appropriate to carry out such agreement which are submitted with such agreement shall take effect, if (and only if)—

(1) the President, not less than 90 days before the day on which he enters into such trade agreement, notifies the House of Representatives and the Senate of his intention to enter into such an agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(2) after entering into the agreement the President delivers a copy of such agreement to the House of Representatives and to the Senate together with—

(A) a copy of the proclamations and orders, if any, proposed to be issued for the purpose of implementing such agreement and an explanation as to how the proclamations and orders affect existing law, and

(B) a statement of his reasons as to why the agreement serves the interests of United States commerce and as to why each such proclamation and order is required or appropriate to carry out the agreement; and

(3) before the close of the 90-day period after the day on which the copy of the agreement is delivered to the House of Representatives and to the Senate pursuant to paragraph (2), neither the House of Representatives nor the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval under the procedures set forth in section 151.

(g) If, in any trade agreement entered into under this section, it is provided that any trade barrier (or other distortion) of the United States with respect to an article is to be converted into a rate of duty affording substantially equivalent tariff protection, then—

(1) such agreement may also provide for the reduction of part or all of that portion of the rate of duty resulting from the conversion of the trade barrier (or other distortion) of the United States which is attributable to such conversion, and

(2) no agreement may be entered into under section 101 reducing to any extent the rate of duty with respect to such article unless the agreement entered into under this section is submitted to the Congress, and on or before the time of such submission there is submitted to the Congress—

(A) a clear statement of the reduction proposed to be taken under section 101 with respect to the column 1 rate of duty for such article, and

On page 122, in line 21, after the word "section" insert the words "or section 351 or 352 of the Trade Expansion Act of 1962".

On page 122, in line 24, strike out the words "2-year" and insert in lieu thereof the words "3-year".

On page 123, at the beginning of line 1, strike out the word "Tariff".

On page 123, in line 1, after the word "subsection" strike out "(j)" and insert in lieu thereof "(i)".

On page 123, beginning at line 4, strike out the following language:

(4) Any import relief provided pursuant to this section may be reduced or terminated by the President when he determines, after taking into account the advice received from the Tariff Commission under subsection (2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest.

On page 123, at the beginning of line 11, strike out "(5)' and insert in lieu thereof "(4)".

On page 123, at the beginning of line 12, strike out "(j)" and insert in lieu thereof "(i)".

On page 123, at the beginning of line 15,(strike out "(j)" and insert in lieu thereof "(i)".

On page 123, in line 16, after the word "section" insert the words "or section 351 or 352 of the Trade Expansion Act of 1962".

On page 123, in line 17, strike out the word "Tariff".

On page 123, in line 24, strike out the word "Tariff".

On page 124, in line 1, strike out the word "reduction" and insert in lieu thereof the words "extension, reduction,".

On page 124, in line 4, strike out the word "Tariff".

On page 124, in line 7, after the word "section" insert the words "or section 351 or 352 of the Trade Expansion Act of 1962".

On page 124, in line 9, strike out the word "Tariff".

On pag 124, in line 14, strike out the word "Tariff".

On page 124, in line 21, strike out the word "Tariff".

On page 124, at the beginning of line 25, strike out "(k)" and insert in lieu thereof "(j)".

On page 125, beginning at line 5, strike out the following language:

SEC. 204. PROCEDURE FOR CONGRESSIONAL DISAPPROVAL OF QUANTITATIVE RESTRICTIONS AND ORDERLY MARKETING AGREEMENTS.

(a) Whenever the President issues a proclamation pursuant to section 203(b)(3) or enters into an orderly marketing agreement pursuant to section 203(b)(4), he shall promptly transmit to the House of Representatives and to the Senate a copy of such proclamation or agreement together with a copy of the statement required to be made to Congress under section 203(c).

(b) If, before the close of the 90 day period beginning on the day on which the copy of the proclamation or agreement is delivered to the House of Representatives and to the Senate pusuant to subsection (a), either the Houese of Representatives or the Senate adopts, by an affirmative vote of a majority of these present and voting in that House, a resolution of disapproval under the procedures set forth in section 151, then such proclamation or such agreement, as the case may be, shall have no force and effect beginning with the day after the date of the adoption of such resolution of disapproval.

(c) For purposes of section 203(e)(1), in the case of the adoption of any resolution of disapproval referred to in subsection (b), a second 15-day period during which the President shall provide import relief under paragraph (1) or (2) of section 203(b) shall be deemed to have started on the day on which the resolution of disapproval was adopted.

On page 127, in line 14, after the word "that"insert the word "absolute".

On page 127, beginning at line 20, insert the following new language:

For purposes of paragrah (3), the term "contributed importantly" means a cause which is important but not necessarily more important than any other cause.

On page 128, in line 18, after the words "Federal Register" insert the words "together with his reasons for making such determination".

On page 129, in line 1, after the words "Federal Register" insert the words "together with his reasons for making such determination".

On page 129, in line 5, strike out the word "TARIFF" and insert in lieu thereof of the words "INTERNATIONAL TRADE".

On page 129, in line 9, strike out the words "Tariff Commission" and insert in lieu thereof the words "International Trade Commission (hereafter referred to in this chapter as the 'Commission')".

On page 129, in line 12, strike out the word "Tariff".

On page 129, at the end of line 16, strike out the word "which" and insert in lieu thereof the word "who".

On page 129, in line 24, strike out the word "Tariff".

On page 130, in line 1, strike out the word "its" and insert in lieu thereof the word "his".

On page 130, in line 6, strike out the word "Tariff".

On page 131, beginning at line 24, strike out the following language:

(1)(A) in the case of any such week in the first 26 weeks of such allowances, 70 percent of his average weekly wage (but not in excess of the average weekly manufacturing wage), or

(B) in the case of any subsequent week of such allowances, 65 percent of his average weekly (but not in excess of the average weekly manufacturing wage) reduced by

And insert in lieu thereof:

(1) 70 percent of his average weekly wage (but not in excess of the average weekly manufacturing wage), reduced by

On page 133, in line 4, strike out the words "has received or is seeking" and insert in lieu thereof the words "receives, or which he would receive if he applied for such insurance,".

On page 134, beginning at line 10, strike out the following language:

allowance would exceed—

(1) in the case of any such week in the first 26 weeks of such allowances, 80 percent of his average weekly wage (or, if lesser, 130 percent of the average weekly manufacturing wage), or

(2) in the case of any subsequent week of such allowances, 75 percent of his average weekly wage (or, if lesser, 130 percent of the average weekly manufacturing wage),

And insert in lieu thereof:

allowance exceeds 80 percent of his average weekly wage (or, if lesser, 130 percent of the average weekly manufacturing wage),

On page 135, beginning at line 1, strike out the following language:

(g)(1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

(A) he receives a trade readjustment allowance, or

(B) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection (c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under Federal law, be reimbursed from funds the authorization contained in pursuant to section 245(b), to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary on the basis of reports furnished to him by the State agency.

(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law.

On page 136, in line 15, strike out the number "13" and insert in lieu thereof the number "26".

On page 136, beginning at line 18, insert the following new language:

In no case may an adversely affected worker be paid trade readjustment allowances for more than 78 weeks.

On page 136, beginning at line 20, strike out the following language:

(b) Except for a payment made for an additional week specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than 3 years after the beginning of the appropriate week. The appropriate week for a totally separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

And insert in lieu thereof:

(b)(1) Except for a payment made for an additional week under subsection (a)(1) or (a)(2), a trade readjustment allowance may not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week.

(2) A trade readjustment allowance may not be paid for an additional week specified in subsection (a)(1) if the adversely affected worker who would receive such allowance did not make a bona fide application to a training program approved by the Secretary within 180 days after the end of the appropriate week or the date of his first certification of eligibility to apply for ad-

justment assistance issued by the Secretary, whichever is later.

(3) A trade readjustment allowance may not be paid for an additional week specified in subsection (a) if such additional week begins more than 3 years after the beginning of the appropriate week.

(4) For purposes of this subsection, the appropriate week—

(A) for a totally separated worker is the week of his most recent total separation, and

(B) for a partially separated worker is the first week for which he receives a trade readjustment allowance following his most recent partial separation.

On page 139, in line 18, strike out the words "through manpower programs established by law." and insert in lieu thereof the words "on the job.".

On page 140, in line 1, strike out "$5" and insert in lieu thereof "$15".

On page 140, in line 2, strike out the number "10" and insert in lieu thereof the number "12".

On page 144, in line 2, strike out the word "payments" and insert in lieu thereof the words "program benefits".

On page 144, beginning at line 6, insert the following new language:

(e) Section 3302(c) of the Internal Revenue Code of 1954 (relating to credits against Federal unemployment tax) is amended by inserting after paragraph (3) the following new paragraph:

"(4) If the Secretary of Labor determines that a State, or State agency, has not—

"(A) entered into the agreement described in section 239 of the Trade Reform Act of 1974, with the Secretary of Labor before July 1, 1975, or

"(B) fulfilled its commitments under an agreement with the Secretary of Labor as described in section 239 of the Trade Reform Act of 1974,

then, in the case of a taxpayer subject to the unemployment compensation law of such State, the total credits (after applying subsections (a) and (b) and paragraphs (1), (2), and (3) of this section) otherwise allowable under this section for a year during which such State or agency does not enter into or fulfill such an agreement shall be reduced by 15 percent of the tax imposed with respect to wages paid by such taxpayer during such year which are attributable to such State.".

On page 145, in line 11, strike out the word "payments" and insert in lieu thereof the words "program benefits".

On page 146, in line 1, strike out the following language:

Sums reimbursable to a State pursuant to section 232(g) shall be credited to the account of such State in the Unemployment Trust Fund and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

On page 146, in line 12, after the word "Assistance" insert the word "Trust".

On page 148, in line 25, after "(b)" insert "(1)".

On page 148, in line 25, strike out the word "is" and insert in lieu thereof the word "are".

On page 149, beginning at line 7, insert the following new language:

(2) There are authorized to be appropriated to the Trust Fund, for purposes of training (including administrative costs) under section 236, $50,000,000 for fiscal year 1975 and such sums as may be necessary for the 5 succeeding fiscal years.

On page 149, in line 17, strike out the words "approved or".

On page 150, in line 3, strike out the word "Tariff".

On page 151, beginning at line 4, strike out the following language:

(2) for weeks of unemployment beginning on or after the effective date of this chapter, to the rights and privileges provided in this chapter.

And insert in lieu thereof:

(2) for weeks of unemployment beginning on or after the effective date of this chapter, to the rights and privileges provided in this chapter, except that the total number of weeks of unemployment, as defined in the Trade Expansion Act of 1962, for which trade readjustment allowances were payable under that Act shall be deducted from the total number of weeks of unemployment for which an adversely affected worker is eligible for trade readjustment allowances under this chapter.

On page 151, in line 16, strike out the word "Tariff".

On page 153, in line 19, strike out the words "(75 percent in the case of any week after the first 26 weeks in which he is eligible to receive a trade readjustment allowance)".

On page 154, in line 25, strike out the words "(75 percent in the case of any week after the first 26 weeks in which he is eligible to receive a trade readjustment allowance)".

On page 155, beginning at line 13, insert the following new language:

SEC. 249. SUBPENA POWER.

(a) The Secretary may require by subpena the attendance of witnesses and the production of evidence necessary for him to make a determination under the provisions of this chapter.

(b) If a person refuses to obey a subpena issued under subsection (a), a United States district court within the jurisdiction of which the relevant proceeding under this chapter is conducted may, upon petition by the Secretary, issue an order requiring compliance with such subpena.

SEC. 250. JUDICIAL REVIEW.

(a) A worker or group of workers, or an authorized representative of such worker or group, aggrieved by a final determination by the Secretary under the provisions of section 223 may, within 60 days after notice of such determination, file a petition for review of such determination with the United States court of appeals for the circuit in which such worker or group is located or in the United States Court of Appeals for the District of Columbia Circuit. The clerk of such court shall send a copy of such petition to the Secretary. Upon receiving such petition, the Secretary shall promptly certify and file in such court the record on which he based such determination.

(b) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

On page 157, beginning at line 1, strike out the following language:

SEC. 249. EFFECTIVE DATE.

This chapter (other than section 250) shall become effective on the 90th day following the date of the enactment of this Act.

SEC. 250. COORDINATION.

There is hereby established the Adjustment Assistance Coordinating Committee to consist of a Deputy Special Trade Representative as Chairman, and the officials charged with adjustment assistance responsibilities of the Departments of Labor and Commerce and the Small Business Administration. It shall be the function of the Committee to coordinate the adjustment assistance policies and programs of the various agencies involved and to promote the efficient and effective delivery of adjustment assistance benefits.

On page 158, in line 19, after the word "that" insert the word "absolute".

On page 158, in line 22, strike out the word "separation and insert the words "separation, or threat thereof,".

On page 158, beginning at line 24, insert the following new language:

For purposes of paragraph (3), the term "contributed importantly" means a cause which is important but not necessarily more important than any other cause.

On page 159, in line 14, after "(b)" insert "(1)".

On page 159, at the beginning of line 19, strike out "(1)" and insert in lieu thereof "(A)".

On page 159, at the beginning of line 21, strike out "(2)" and insert in lieu thereof "(B)".

On page 159, at the beginning of line 22, strike out "(A)" and insert in lieu thereof "(i)".

On page 160, at the beginning of line 1, strike out "(B)" and insert in lieu thereof "(ii)".

On page 160, at the beginning of line 3, strike out "(C)" and insert in lieu thereof "(iii)".

On page 160, beginning at line 6, insert the following new language:

(2) The Secretary shall make a determination as soon as possible after the date on which an application is filed under this section, but in no event later than 60 days after such date.

On page 162, beginning at line 22, strike out the following language:

(b) In the case of guaranteed loans, the guaranteed portion of the loan shall not bear interest at a rate higher than the maximum rate permissible in the case of loans to small businesses which are guaranteed by the Small Business Administration. The rate of interest on direct loans shall be the prevailing rate authorized for loans to small businesses by the Small Business Administration.

And insert in lieu thereof:

(b) The rate of interest on loans which are guaranteed under this chapter shall be no higher than the maximum interest per annum that a participating financial institution may establish on guaranteed loans made pursuant to section 7(a) of the Small Business Act (15 U.S.C. 636(a)). The rate of interest on direct loans made under this chapter shall be (1) a rate determined by the Secretary of the Treasury taking into

consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity that are comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 percent, plus (ii) an amount adequate in the judgment of the Secretary to cover administrative costs and probable losses under the program.

On page 164, in line 7, strike out the word "businesses".

On page 164, in line 10, strike out the words "that portion of the loan made for purposes specified in section 254(b)" and insert in lieu thereof the words "the balance of the loan outstanding".

On page 164, beginning at line 18, insert the following new language:

(g) The Secretary may charge a fee to a lender which makes a loan guaranteed under this chapter in such amount as is necessary to cover the cost of administration of such guarantee.

On page 106, at the beginning of line 22, strike out "(g)" and insert in lieu thereof "(h)".

On page 165, beginning at line 6, strike out the following language:

(a) In the case of any firm which is a small business (within the meaning of the Small Business Act and regulations promulgated thereunder), the Secretary may delegate all or any part of his functions under this chapter (other than the functions under section 251 with respect to the certification of eligibility) to the Administrator of the Small Business Administration.

And insert in lieu thereof:

(a) In the case of any firm which is small (within the meaning of the Small Business Act and regulations promulgated thereunder), the Secretary may delegate all of his functions under this chapter (other than the functions under sections 251 and 252(d) with respect to the certification of eligibility and section 264) to the Administrator of the Small Business Administration.

On page 166, beginning at line 1, insert the following new language:

(c) The unexpended balances of appropriations authorized by section 312(d) of the Trade Expansion Act of 1962 are transferred to the Secretary to carry out his functions under this chapter.

On page 167, beginning at line 12, insert the following new language:

(c) All repayments of loans, payments of interest, and other receipts arising out of transactions entered into by the Secretary pursuant to this chapter, shall be available for financing functions performed under this chapter, including administrative expenses in connection with such functions.

On page 169, in line 5, strike out the words "the action of the Secretary" and insert in lieu thereof the words "a determination".

On page 170, in line 13, strike out the word "Tariff" and insert in lieu thereof the words "International Trade".

On page 170, in line 14, after the word "Commission" insert the words "(hereafter in this chapter referred to as the "Commission")".

On page 170, in line 16, strike out the word "Tariff".

On page 170, in line 21, strike out the word "Tariff".

On page 171, in line 2, strike out the word "Tariff".

One page 171, in line 18, strike out the word "TARIFF" and insert in lieu thereof the words "INTERNATIONAL TRADE".

On page 171, in line 21, strike out the word "Tariff".

On page 171, in line 23, strike out the word "Tariff".

On page 172, in line 10, strike out the word "Tariff".

On page 172, in line 16, strike out the word "Tariff".

On page 173, beginning at line 1, insert the following new language:

Chapter 4—ADJUSTMENT ASSISTANCE FOR COMMUNITIES

SEC. 271. PETITIONS AND DETERMINATIONS.

(a) A petition for certification of eligibility for adjustment assistance under this chapter may be filed with the Secretary of Commerce (hereinafter in this chapter referred to as the "Secretary") by a political subdivision of a State (hereinafter in this chapter referred to as a "community"), by a group of such communities, or by the Governor of a State on behalf of such communities. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that he has received the petition and initiated an investigation.

(b) If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the Secretary's publication of notice under subsection (a) a request for a hearing the Secretary shall provide for a public hearing and afford such interested persons an opportunity to be present, to produce evidence, and to be heard.

(c) The Secretary shall certify a community as eligible for adjustment assistance under this chapter if he determines—

(1) that a significant number or proportion of the workers in the trade impacted area in which such community is located have become totally or partially separated, or are threatened to become totally or partially separated,

(2) that sales or production, or both, of firms, or subdivisions of firms, located in the trade impacted area specified in paragraph (1) have decreased absolutely, and

(3) that absolute increases of imports of articles like or directly competitive with articles produced by firms, or subdivisions of firms, located in the trade impacted area specified in paragraph (1) or that the transfer of firms or subdivisions of firms located in such area to foreign countries have contributed importantly to the total or partial separations, or threats thereof, described in paragraph (1) and to the decline in sales or production described in paragraph (2).

For purposes of paragraph (3), the term "contributed importantly" means a cause which is important but not necessarily more important than any other cause.

(d) As soon as possible after the date on which a petition is filed under this section, but in any event not later than 60 days after that date, the Secretary shall determine whether the petitioning community, or group of communities, meets the requirements of subsection (c) and shall issue a certification of eligibility for assistance under this chapter covering any community located in the same trade impacted area in which the petitioner is located which meets such requirements.

(e) The Secretary, after consulting the Secretary of Labor, shall establish the size and boundaries of each trade impacted area, considering the criteria in subsection (c) and, to the extent they are relevant, the factors specified as criteria for redevelopment areas under section 401 of the Public Works and Economic Development Act of 1965.

(f) If the Secretary determines that a community requires no additional assistance under this chapter, he shall terminate the certification of eligibility of such community and promptly have notice of such termination published in the Federal Register. Such termination shall take effect on the termination date specified by the Secretary.

SEC. 272. TRADE IMPACTED AREA COUNCILS.

(a) Within 60 days after a community is certified under section 271, the Secretary shall send his representatives to the trade impacted area in which such community is located to inform officials of communities and other residents of such area about benefits available to them under this Act and to assist such officials and residents in establishing a Trade Impacted Area Council for Adjustment Assistance (hereinafter in this chapter referred to as the "Council") for such area.

(b)(1) The Secretary shall establish, subject to the last sentence of this paragraph, a Council for each trade impacted area in which one or more communities are certified under section 271. Such Council shall—

(A) develop a proposal for an adjustment assistance plan for the economic rejuvenation of certified communities in its trade impacted area, and

(B) coordinate community action under the adjustment assistance plan, as approved by the Secretary.

If an appropriate entity for purposes of performing the functions specified in subparagraphs (A) and (B) already exists in such area, then the Secretary may designate such entity as the Council for such area.

(2) Such Council shall include representatives of certified communities, industry, labor, and the general public located in the trade impacted area covered by the Council.

(c) Upon application by a Council established under subsection (b), the Secretary is authorized to make grants to such Council for maintaining an appropriate professional and clerical staff. No grant shall be made to a Council to maintain staff after the period which ends 2 years after the date on which such Council is established or designated.

(d) A Council established under this section may file an application with the Secretary for adjustment assistance under this chapter. Such application shall include the Council's proposal for an adjustment assistance plan for the communities in its trade impacted area.

SEC. 273. PROGRAM BENEFITS.

(a) Adjustment assistance under this chapter consists of—

(1) all forms of assistance, other than loan guarantees which are provided to a redevelopment area under the Public Works and Economic Development Act of 1965, and

(2) the loan guarantee program described in subsection (d).

(b) No adjustment assistance may be extended to any community or person in a trade impacted area under this chapter unless the Secretary approves the adjustment assistance plan submitted to him under section 272(d).

(c) For purposes of the Public Works and Economic Development Act of 1965—

(1) a trade impacted area for which an adjustment assistance plan has been approved under section 272(d) shall be treated as a redevelopment area, except that—

(A) no loan guarantees may be made to any person under such Act; and

(B) no loan or grant may be made to any recipient in such an area after September 30, 1980, and

(2) approval of an adjustment assistance plan submitted under section 272(d) shall be treated as approval of an overall economic

development program under section 202(b)(10) of such Act.

(d) The Secretary is authorized to guarantee loans for working capital made to private borrowers by private lending institutions in connection with projects in trade impacted areas subject to the same terms and conditions to which loan guarantees are subject under section 202 of the Public Works and Economic Development Act of 1965, including record and audit requirements and penalties, except that—

(1) no loan guarantee may be made unless the joint liability requirement described in subsection (e) is met,

(2) no loan guarantee may be made to a corporation unless the employee stock ownership requirement described in subsection (f) is met,

(3) no new loan guarantee may be made under this subsection after September 30, 1980.

(4) a loan guarantee may be made for the entire amount of the outstanding unpaid balance of such loan, and

(5) no more than 20 percent of the amount of loan guarantees made under this subsection may be made in one State.

(e)(1) No loan guarantee may be made under subsection (d) unless—

(A) the Governor of the State,

(B) the authorized representative of the community, or

(C) the Governor of the State and the authorized representative of the community in which the applicant for such guarantee is located signs a commitment to the Secretary pledging such portion of—

(i) the State government entitlement for one entitlement period under section 107 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1226) (hereinafter referred to in this subsection as the "1972Act"),

(ii) the local government entitlement for one entitlement period under section 108 of the 1972 Act (31 U.S.C. 1227), or

(iii) the State government and local government entitlements for one entitlement period under sections 107 and 108 of the 1972 Act, allocated between the State and local government entitlements in the manner such governments agree upon,

as is equal to one-half the amount of any liability which arises on such loan guarantee.

(2) The total amount of all portions of entitlement under the 1972 Act which a State or community may pledge for loan guarantees under paragraph (1) which are outstanding during any entitlement period may not exceed the amount to which such State or community was entitled under such Act during the previous entitlement period, unless the previous entitlement period was 6 months long, in which case the total amount of all such portions outstanding may not exceed twice the amount to which such State or community was entitled under such Act during such previous entitlement period.

(3) The requirement set forth in paragraph (1) shall be considered to have been met if the State in which the applicant for such guarantee is located has established by law a program, which is approved by the Secretary for purposes of this section, to pay one-half the amount of any liability which arises on a loan guarantee made under subsection (d).

(4) Section 107 of the 1972 Act (relating to State government entitlement) is amended by adding at the end thereof the following new subsection:

"(c) REDUCTION IN ENTITLEMENT TO COVER LIABILITY ON CERTAIN LOAN GUARANTEES.—

"(1) GENERAL RULE.—The entitlement of a State government for an entitlement period beginning after June 30, 1976, shall be reduced by an amount which is equal to one-half the amount, if any, of the liability which arose during the preceding entitlement period on each community readjustment assistance loan guarantee for which the Governor of such State signed a commitment to the Secretary of Commerce under section 273 of the Trade Reform Act of 1974. If the Governor signed such a commitment jointly with the authorized representative of a local government, then such State government entitlement shall be reduced by the proportion of one-half the amount of such liability which is specified in such joint commitment. For purposes of subsection (b)(1)(A), the amount of any reduction in the entitlement of a State government under this subsection for an entitlement period shall, for subsequent entitlement periods, be treated as an amount transferred by the State government (out of its own sources) during such period to units of local government in such State.

"(2) REDUCTION IN ENTITLEMENT.—As soon as is practical, the Secretary of Commerce shall notify the Secretary as to the amount of liability which arises on any loan guarantee for which the Governor of a State signed a commitment under section 273 of the Trade Reform Act of 1974. The Secretary shall—

"(A) determine the amount of reductions which paragraph (1) requires in the entitlement of such State government for the appropriate entitlement period,

"(B) shall notify the Governor of such State of such determination, and

"(C) shall withhold from subsequent payments to such State government under this subchapter an amount equal to such reduction.

"(3) TRANSFER TO GENERAL FUND.—An amount equal to the reduction in entitlement of any State government which results from the application of this subsection (after any judicial review under section 143 of this title) shall be transferred from the Trust Fund to the general fund of the Treasury on the day on which such reduction becomes final."

(4) Section 108(b)(7) (relating to local government entitlement) is amended by adding at the end thereof the following new subparagraph:

"(D) REDUCTION IN ENTITLEMENT TO COVER LIABILITY ON CERTAIN LOAN GUARANTEES.—

"(i) The entitlement of a local government under subsection (b) for an entitlement period beginning after June 30, 1976, shall be reduced by an amount which is equal to one-half the amount, if any, of the liability which arose during the preceding entitlement period on each community readjustment assistance loan guarantee for which the authorized representative of such local government signed a commitment to the Secretary of Commerce under Section 273 of the Trade Reform Act of 1974. If the authorized representative signed such a commitment jointly with the Governor of the State, such local government entitlement shall be reduced by the proportion of one-half the amount of such liability which is specified in such joint commitment.

"(ii) As soon as is practical, the Secretary of Commerce shall notify the Secretary as to the amount of liability which arises on any loan guarantee for which the authorized representative of a local government sign a commitment under section 273 of the Trade Reform Act of 1974. The Secretary shall determine the amount of reduction which clause (i) requires in the entitlement of such local government for the appropriate entitlement period, notify such local government of such determination, and withhold from subsequent payments to such local government under this subchapter an amount equal to such reduction.

"(iii) An amount equal to the reduction in entitlement of any local government which results from the application of this subparagraph (after any judicial review under section 143 of this title) shall be transferred from the Trust Fund to the general fund of the Treasury on the day on which such reduction becomes final.".

(5) Section 143(a) of such Act is amended by—

(A) striking out "Any State" and inserting in lieu thereof "Any State or unit of local government", and

(B) inserting immediately after "107(b)" the following: "or (c) or section 108(b)".

(f)(1) A loan to a corporation (hereinafter referred to as the "recipient corporation") may not be guaranteed under subsection (d) unless—

(A) 25 percent of the principal amount of the loan is paid by the lender to a qualified trust established under an employee stock ownership plan established and maintained by the recipient corporation, by a parent or subsidiary of such corporation, by a parent or subsidiary of such corporation, or by several corporations including the recipient corporation.

(B) the employee stock ownership plan meets the requirements of this subsection, and

(C) the agreement among the recipient corporation, the lender, and the qualified trust relating to the loan meets the requirements of this section.

(2) An employee stock ownership plan does not meet the requirements of this section unless the governing instrument of the plan provides that—

(A) the amount of the loan paid under paragraph (1)(A) to the qualified trust will be used to purchase qualified employer securities.

(B) the qualified trust will repay to the lender the amount of such loan, together with the interest thereon, out of amounts contributed to the trust by the recipient corporation, and

(C) from time to time, as the qualified trust repays such amount, the trust will allocate qualified employer securities among the individual accounts of participants and their beneficiaries in accordance with the provisions of paragraph (4).

(3) The agreement among the recipient corporation, the lender, and the qualified trust does not meet the requirements of this section unless—

(A) it is unconditionally enforceable by any party against the others, jointly and severally.

(B) it provides that the liability of the qualified trust to repay loan amounts paid to the qualified trust may not, at any time, exceed an amount equal to the amount of contributions required under paragraph (2)(B) which are actually received by such trust,

(C) it provides that amounts received by the recipient corporation from the qualified trust for qualified employer securities purchased for the purpose of this subsection will be used exclusively by the recipient corporation for those purposes for which it may use that portion of the loan paid directly to it by the lender,

(D) it provides that the recipient corporation may not reduce the amount of its equity capital during the one year period beginning on the date on which the qualified trust purchases qualified employer securities for purposes of this subsection, and

(E) it provides that the recipient corporation will make contributions to the qualified trust of not less than such amounts as are necessary for such trust to meet its obligation to make repayments of principal and interest on the amount of the loan received by the trust without regard to whether such contributions are deductible by the corporation under section 404 of the Internal Revenue Code of 1954 and without regard to any other amounts the recipient corporation is

obligated under law to contribute to or under the employee stock ownership plan.

(4) At the close of each plan year, an employee stock ownership plan shall allocate to the accounts of participating employees that portion of the qualified employer securities the cost of which bears substantially the same ratio to the cost of all the qualified employer securities purchased under paragraph (2)(A) of this subsection as the amount of the loan principal and interest repaid by the qualified trust during that year bears to the total amount of the loan principal and interest payable by such trust during the term of such loan. Qualified employer securities allocated to the individual account of a participant during one plan year must bear substantially the same proportion to the amount of all such securities allocated to all participants in the plan as the amount of compensation paid to such participant bears to the total amount of compensation paid to all such participants during that year.

(5) For purposes of this subsection, the term—

(A) "employee stock ownership plan" means a plan described in section 407(d)(6) of the Employee Retirement Income Security Act of 1974, section 4975(e)(7) of the Internal Revenue Code of 1954, and in section 102(5) of the Regional Rail Reorganization Act of 1973, which meets the requirements of title I of the Employee Retirement Income Security Act of 1974 and of part I of subchapter D of chapter 1 of such Code,

(B) "qualified trust" means a trust established under an employee stock ownership plan and meeting the requirements of title I of the Employee Retirement Income Security Act of 1974 and of part I of subchapter D of chapter 1 of such Code,

(C) "qualified employer securities" means common stock issued by the recipient corporation or by a parent or subsidiary of such corporation with voting power and dividend rights no less favorable than the voting power and dividend rights on other common stock issued by the issuing corporation and with voting power being exercised by the participants in the employee stock ownership plan after it is allocated to their plan accounts, and

(D) "equity capital" means, with respect to the recipient corporation, the sum of its money and other property (in an amount equal to the adjusted basis of such property but disregarding adjustments made on account of depreciation or amortization made during the period described in paragraph (3)(D)), less the amount of its indebtedness.

(g)(1) The Federal Government share of loan guarantees made under subsection (d) on loans which are outstanding at any time may not exceed $500,000,000.

(2) For purposes of paragraph (1), the Federal Government share of a loan guarantee made under subsection (c) is one-half the amount of such loan guarantee.

SEC. 274. COMMUNITY ADJUSTMENT ASSISTANCE FUND AND AUTHORIZATION OF APPROPRIATIONS.

(a) There is established on the books of the Treasury of the United States a revolving fund to be known as the Community Adjustment Assistance Fund. The fund shall consist of such amounts as may be deposited in it pursuant to the authorization in subsection (b) and any collections, repayments of loans, or other receipts received under the program established in section 273(a). Amounts in the fund may be used only to carry out the provisions of sections 272 and 273(b), including administrative costs. Amounts appropriated to the fund shall be available to the Secretary without fiscal year limitation. Upon liquidation of all remaining obligations, any balances remaining in the fund after September 30, 1980, shall be transferred to the general fund of the Treasury.

(b) There are authorized to be appropriated to the Community Adjustment Assistance Fund, for the purpose of carrying out the provisions of sections 272 and 273(a), $100,000,000 for the fiscal year ending June 30, 1975, and such sums as may be necessary for the succeeding 5 fiscal years.

(c) There are authorized to be appropriated to the Secretary such sums as may be necessary for carrying out the loan guarantee program under section 273(d).

Chapter 5—MISCELLANEOUS PROVISIONS

SEC. 280. GENERAL ACCOUNTING OFFICE REPORT.

(a) The Comptroller General of the United States shall conduct a study of the adjustment assistance programs established under chapters 2, 3, and 4 of this title and shall report the results of such study to the Congress no later than January 30, 1979. Such report shall include an evaluation of—

(1) the effectiveness of such programs in aiding workers, firms, and communities to adjust to changed economic conditions resulting from changes in the patterns of international trade; and

(2) the coordination of the administration of such programs and other Government programs which provide unemployment compensation and relief to depressed areas.

(b) In carrying out his responsibilities under this section, the Comptroller General shall, to the extent practical, avail himself of the assistance of the Departments of Labor and Commerce. The Secretaries of Labor and Commerce shall make available to the Comptroller General any assistance necessary for an effective evaluation of the adjustment assistance programs established under this title.

SEC. 281. COORDINATION

There is established the Adjustment Assistance Coordinating Committee to consist of a Deputy Special Trade Representative as Chairman, and the officials charged with adjustment assistance responsibilities of the Departments of Labor and Commerce and the Small Business Administration. It shall be the function of the Committee to coordinate the adjustment assistance policies, studies, and programs of the various agencies involved and to promote the efficient and effective delivery of adjustment assistance benefits.

SEC. 282. TRADE STATISTICS MONITORING SYSTEM.

The Secretary of Commerce and the Secretary of Labor shall establish and maintain a program to monitor imports of articles into the United States which will reflect changes in the volume of such imports, the relation of such imports to changes in domestic production, changes in employment within domestic industries producing articles like or directly competitive with such imports, and the extent to which such changes in production and employment are concentrated in specific geographic regions of the United States. A summary of the information collected by such program shall be published regularly and shall be provided to the Adjustment Assistance Coordinating Committee.

SEC. 283. FIRMS RELOCATING IN FOREIGN COUNTRIES.

Before moving productive facilities from the United States to a foreign country, every firm should—

(1) provide notice of the move to its employees who are likely to be totally or partially separated as a result of the move at least 60 days before the date of such move,

(2) provide notice of the move to the Secretary of Labor and the Secretary of Commerce on the same day it notifies employees under paragraph (1),

(3) apply for and use all adjustment assistance for which it is eligible under this title,

(4) offer employment opportunities in the United States, if any exist, to its employees who are totally or partially separated workers as a result of the move, and

(5) assist in relocating employees to other locations in the United States where employment opportunities exist.

SEC. 284. EFFECTIVE DATE.

Chapters 2, 3, and 4 of this title shall become effective on the 90th day following the date of enactment of this Act and shall terminate on September 30, 1980.

On page 194, at the end of line 1, insert the word "or".

On page 194, beginning at line 2, insert the following new language:

(4) imposes unjustifiable or unreasonable restrictions on access to supplies of food, raw materials, or manufactured or semimanufactured products which burden or restrict United States commerce,

On page 194, in line 14, strike out the word "instrumentality" and insert in lieu thereof the words "instrumentality, and may impose fees or restrictions on the services of such foreign country or instrumentality,".

On page 194, beginning at line 18, insert the following new language:

For purposes of this subsection, the term "commerce" includes services associated with the international trade.

On page 194, beginning at line 20, strike out the following language:

(b) In determining what action to take under subsection (a), the President shall consider the relationship of such action to the international obligations of the United States and to the purposes stated in section 2. Any action taken under subsection (a) may be on a nondiscriminatory treatment basis or otherwise; except that, in the case of a restriction, act, policy, or practice of any foreign country or instrumentality which is unreasonable but not unjustifiable, the action taken under subsection (a) shall be taken only with respect to such country or instrumentality.

And insert in lieu thereof:

(b) In determining what action to take under subsection (a), the President shall consider the relationship of such action to the purposes of this Act. Action shall be taken under subsection (a) against the foreign country or instrumentality involved, except that, subject to the provisions of section 302, any such action may be taken on a nondiscriminatory treatment basis.

On page 195, in line 20, strike out the word "Tariff" and insert in lieu thereof the words "International Trade".

On page 196, beginning at line 3, strike out the following language:

(d) The President shall provide an opportunity for the presentation of views concerning the import restrictions, acts, policies, or practices referred to in paragraph (1), (2), or (3) of subsection (a). Upon request by any interested person, the President shall provide for appropriate public hearings with respect to such restrictions, acts, policies, or practices after reasonable notice, and he shall provide for the issuance of regulations concerning the conduct of hearings under this subsection and subsection (c).

And insert in lieu thereof:

(d)(1) The President shall provide an opportunity for the presentation of views concerning the restrictions, acts, policies, or practices referred to in paragraphs (1), (2), (3), and (4) of subsection (a).

(2) Upon complaint filed by any interested party with the Special Representative for Trade Negotiations alleging any such restriction, act, policy, or practice, the Special Representative shall conduct a review of the alleged restriction, act, policy, or practice, and, at the request of the complainant, shall conduct public hearings thereon. The Special Representative shall have a copy of each complaint filed under this paragraph published in the Federal Register. The Special Representative shall issue regulations concerning the filing of complaints and the conduct of reviews and hearings under this paragraph and shall submit a report to the House of Representatives and the Senate semi-annually summarizing the reviews and hearings conducted by it under this paragraph during the preceding 6-month period.

On page 197, beginning at line 5, strike out the following language:

(c) Before the President takes any action under subsection (a) with respect to the import treatment of any product—

(1) he shall provide an opportunity for the presentation of views concerning the taking of action with respect to such product,

(2) upon request by any interested person, he shall provide for appropriate public hearings with respect to the taking of action with respect to such product, and

(3) he may request the Tariff Commission for its views as to the probable impact on the economy of the United States of the taking of action with respect to such product.

And insert in lieu thereof:

(e) Before the President takes any action under subsection (a) with respect to the import treatment of any product or the treatment of any service—

(1) he shall provide an opportunity for the presentation of views concerning the taking of action with respect to such product or service,

(2) upon request by any interested person, he shall provide for appropriate public hearings with respect to the taking of action with respect to such product or service, and

(3) he may request the International Trade Commission for its views as to the probable impact on the economy of the United States of the taking of action with respect to such product or service.

If the President determines that, because of the need for expeditious action under subsection (a), compliance with paragraphs (1) and (2) would be contrary to the national interest, then such paragraphs shall not apply with respect to such action, but he shall thereafter promptly provide an opportunity for the presentation of views concerning the action taken and, upon request by any interested person, shall provide for appropriate public hearings with respect to the action taken. The President shall provide for the issuance of regulations concerning the filing of requests for, and the conduct of, hearings under this subsection.

On page 198, in line 23, after the word "section 301(a)" insert the words "with respect to any country or instrumentality other than the country or instrumentality whose restriction, act, policy, or practice was the cause for taking such action".

On page 199, beginning at line 4, strike out the following language:

(b) If, before the close of the 90 day period beginning on the day on which the copy of the document referred to in subsection (a) is delivered to the House of Representatives and to the Senate, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval under the procedures set forth in section 151, then such action under section 301(a) shall have no force and effect beginning with the day after the date of the adoption of such resolution of disapproval.

And insert in lieu thereof:

(b) If, before the close of the 90-day period beginning on the day on which the document referred to in subsection (a) is delivered to the House of Representatives and to the Senate, the two Houses adopt, by an affirmative vote of a majority of those present and voting in each House, a concurrent resolution of disapproval under the procedures set forth in section 152, then such action under section 301(a) shall have no force and effect beginning with the day after the date of the adoption of such concurrent resolution of disapproval, except with respect to the country or instrumentality whose restriction, act, policy, or practice was the cause for taking such action.

On page 200, beginning at line 4, strike out the following language:

(a) Section 201(b) of the Antidumping Act, 1921 (19 U.S.C. sec. 160 (b)), is amended to read as follows:

"(b) In the case of any imported merchandise of a class or kind as to which the Secretary has not so made public a finding, he shall, within six months, or in more complicated investigations within nine months, after the question of dumping was raised by or presented to him or any person to whom authority under this section has been delegated.

"(1) determine whether there is reason to believe or suspect, from the invoice or other papers or from information presented to him or to any other person to whom authority under this section has been delegated, that the purchase price is less, or that the exporter's sales price is less or likely to be less, than the foreign market value (or, in the absence of such value, than the constructed value); and

"(2) if his determination is affirmative, publish a notice of that fact in the Federal Register, and require, under such regulations as he may prescribe, the withholding of appraisement as to such merchandise entered, or withdrawn from warehouse for consumption, on or after the date of publication of that notice in the Federal Register (unless the Secretary determines that the withholding should be made effective as of an earlier date not more than one hundred and twenty days before the question of dumping was raised by or presented to him or any person to whom authority under this section has been delegated, in which case the effective date of the withholding shall be such earlier date), until the further order of the Secretary, or until the Secretary has made public a finding as provided for in subsection (a) in regard to such merchandise; or

"(3) if his determination is negative (or if he tentatively determines that the investigation should be discontinued), publish notice of that fact in the Federal Register, but the Secretary may within three months thereafter order the withholding of appraisement if he then has reason to believe or suspect, from the invoice of other papers or from information presented to him or to any other person to whom authority under this section has been delegated, that the purchase price is less, or that the exporter's sales price is less or likely to be less, than the foreign market value (or, in the absence of such value, than the constructed value) and such order of withholding of appraisement shall be subject to the provisions of paragraph (2). If no withholding of appraisement is ordered within such three-month period, the Secretary shall, not later than the close of such period, issue a determination terminating or discontinuing the investigation.

For purposes of this subsection, the question of dumping shall be deemed to have been raised or presented on the date on which a notice is published in the Federal Register that information relative to dumping has been received in accordance with regulations prescribed by the Secretary."

(B) Section 201(c) of the Antidumping Act, 1921 (19 U.S.C. sec. 160(c)), is amended to read as follows:

"(c)(1) Before making any determination pursuant to subsection (a) of this section, the Secretary or the Tariff Commission, as the case may be, shall conduct a hearing at which—

"(A) any foreign manufacturer or exporter or domestic importer of the foreign merchandise in question shall have the right to appear by counsel or in person; and

"(B) any other person, firm, or corporation may make application and, upon good cause shown, may be allowed by the Secretary or the Tariff Commission, as the case may be, to intervene and appear at such hearing by counsel or in person.

"(2) The Secretary, upon determining whether foreign merchandise is being, or is likely to be, sold in the United States at less than its fair value, and the Tariff Commission, upon making its determination under subsection (a), shall publish in the Federal Register such determination, whether affirmative or negative, together with a statement of findings and conclusions, and the reasons or basis therefor, on all the material issues of fact or law presented.

"(3) The hearings provided for under this section shall be exempt from sections 554, 555, 556, 557, and 702 of title 5 of the United States Code. The transcript of any hearing, together with all information developed in connection with the investigation (other than items to which confidential treatment has been granted by the Secretary or the Tariff Commission, as the case may be), shall be made available in the manner and to the extent provided in section 552(b) of such title 5."

And insert in lieu thereof:

(a) Section 201 of the Antidumping Act, 1921 (19 U.S.C. 160), is amended—

(1) by striking out "United States Tariff Commission" in subsection (a) and inserting in lieu thereof "United States International Trade Commission (hereinafter called the 'Commission')", and by striking out "said" each place it appears in such subsection; and

(2) by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b)(1) In the case of any imported merchandise of a class or kind as to which the Secretary has not so made public a finding, he shall, within six months after the publication under subsection (c)(1) of a notice of initiation of an investigation—

"(A) determine whether there is reason to believe or suspect, from the invoice or other papers or from information presented to him or to any other person to whom authority under this section has been delegated, that the purchase price is less, or that the exporter's sales price is less or likely to be less, than the foreign market value (or, in the absence of such value, than the constructed value); and

"(B) if his determination is affirmative, publish a notice of that fact in the Federal Register, and require, under such regulations as he may prescribe, the withholding of appraisement as to such merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of that notice in the Federal Register (or such earlier date, not more than one hundred and twenty days before the date of publication

under subsection (c)(1) of notice of initiation of the investigation, as the Secretary may prescribe), until the further order of the Secretary, or until the Secretary has made public a finding as provided for in subsection (a) in regard to such merchandise; or

"(C) if his determination is negative (or if he tentatively determines that the investigation should be discontinued), publish notice of that fact in the Federal Register.

"(2) If in the course of an investigation under this subsection the Secretary concludes that the determination provided for in paragraph (1) cannot reasonably be made within six months, he shall publish notice of this in the Federal Register, together with a statement of reasons therefor, in which case the determination shall be made within nine months after the publication in the Federal Register of the notice of initiation of the investigation.

"(3) Within three months after publication in the Federal Register of a determination under paragraph (1), the Secretary shall make a final determination whether the foreign merchandise in question is being or is likely to be sold in the United States at less than its fair value (or a final discontinuance of the investigation).

"(c)(1) The Secretary shall, within thirty days of the receipt of information alleging that a particular class or kind of merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value and that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States, determine whether to initiate an investigation into the question of whether such merchandise in fact is being or is likely to be sold in the United States or elsewhere at less than its fair value. If his determination is affirmative he shall publish notice of the initiation of such an investigation in the Federal Register. If it is negative, the inquiry shall be closed.

"(2) If, in the course of making a determination under paragraph (1), the Secretary concludes, from the information available to him, that there is substantial doubt whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States, he shall forward to the Commission the reasons for such substantial doubt and a preliminary indication, based upon whatever price information is available, concerning possible sales at less than fair value, including possible margins of dumping and the volume of trade. If within thirty days after receipt of such information from the Secretary, the Commission, after conducting such inquiry as it deems appropriate, determines there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States, it shall advise the Secretary of its determination and any investigation under subsection (b) then in progress shall be terminated.

"(d)(1) Before making any determination under subsection (a), the Secretary or the Commission, as the case may be, shall, at the request of any foreign manufacturer or exporter, or any domestic importer, of the foreign merchandise in question, or of any domestic manufacturer, producer, or wholesaler of merchandise of the same class or kind, conduct a hearing at which—

"(A) any such person shall have the right to appear by counsel or in person; and

"(B) any other person, firm, or corporation may make application and, upon good cause shown, may be allowed by the Secretary or the Commission, as the case may be, to intervene and appear at such hearing by counsel or in person.

"(2) The Secretary, upon determining whether foreign merchandise is being, or is likely to be, sold in the United States at less than its fair value, and the Commission, upon making its determination under subsection (a), shall publish in the Federal Register such determination, whether affirmative or negative, together with a complete statement of findings and conclusions, and the reasons or bases therefor, on all the material issues of fact or law presented (consistent with confidential treatment granted by the Secretary or the Commission, as the case may be, in the course of making its determination).

"(3) The hearings provided for under this section shall be exempt from sections 554, 555, 556, 557, and 702 of title 5 of the United States Code. The transcript of any hearing, together with all information developed in connection with the investigation (other than items to which confidential treatment has been granted by the Secretary or the Commission, as the case may be), shall be made available in the manner and to the extent provided in section 552(b) of such title.".

On page 208, at the beginning of line 12, strike out "(c)" and insert in lieu thereof "(b)".

On page 209, at the beginning of line 22, strike out "(d)" and insert in lieu thereof "(c)".

On page 211, at the beginning of line 19, strike out "(e)" and insert in lieu thereof "(d)".

On page 213, in line 11, strike out the number "206." and insert in lieu thereof the number "206."

On page 213, beginning at line 12, insert the following new language:

"(d) Whenever, in the course of an investigation under this Act, the Secretary determines that—

"(1) merchandise exported to the United States is being produced in facilities which are owned or controlled, directly or indirectly, by a person, firm, or corporation which also owns or controls, directly or indirectly, other facilities for the production of such or similar merchandise which are located in another country or countries;

"(2) the sales of such or similar merchandise by the company concerned in the home market of the exporting country are nonexistent or inadequate as a basis for comparison with the sales of the merchandise to the United States; and

"(3) the foreign market value of such or similar merchandise produced in one or more of the facilities outside the country of exportation is higher than the foreign market value, or, if there is no foreign market value, the constructed value, of such or similar merchandise produced in the facilities located in the country of exportation,

he may determine the foreign market value of such merchandise by reference to the foreign market value at which such or similar merchandise is sold in substantial quantities by one or more facilities outside the country of exportation. The Secretary in making any determination under this paragraph, shall make adjustments for the difference between the costs of production (including taxes, labor, materials, and overhead) of such or similar merchandise produced in facilities outside the country of exportation and costs of production of such or similar merchandise produced in the facilities in the country of exportation, if such differences are demonstrated to his satisfaction. For the purpose of this subsection, in determining foreign market value of such or similar merchandise produced in a country outside of the country of exportation, the Secretary shall determine its price at the time of exportation from the country of exportation and shall make any adjustments required by section 205(a) for the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for shipment to the United States by reference to such costs in the country of exportation."

On page 215, at the beginning of line 6, strike out "(f)" and insert in lieu thereof "(e)".

On page 215, in line 6, strike out the number "213" and insert in lieu thereof the number "212".

On page 215, beginning at line 11, insert the following new language:

(f) Section 481 of the Tariff Act of 1930 (19 U.S.C. 1481) is amended—

(1) by renumbering paragraph (10 of subsection (a) as (11);

(2) by striking out paragraph (9) of subsection (a) and inserting in lieu thereof the following:

"(9) All rebates, drawbacks, bounties, and grants, separately itemized, allowed, paid, or bestowed on the exportation, manufacture, or production of the merchandise;

"(10) The unit price of each item at which such merchandise is being sold or offered for sale in the home market of the country of exportation; and "; and

(3) by inserting before the period at the end of subsection (d) ", except that, with respect to any entry for which an invoice is required, and which covers merchandise other than articles (1) classifiable in schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202); (2) imported for personal use and not for resale; or (3) having a purchase price or value under $1,000, the information specified in paragraphs (5), (9), and (10) of subsection (a) must be furnished unless the appropriate Customs officer determines that the information required is currently available."

(g)(1) Section 516 of the Tariff Act of 1930 (19 U.S.C. 1516) is amended by redesignating subsection (d), (e), (f), and (g) as subsections (e), (f), (g), and (h), respectively, and by inserting after subsection (c) the following new subsection:

"(d) Within 30 days after a determination by the Secretary under section 201 of the Antidumping Act, 1921 (19 U.S.C. 160), that a class or kind of foreign merchandise is not being, nor likely to be, sold in the United States at less than its fair value, an American manufacturer, producer, or wholesaler of merchandise of the same class or kind as that described in such determination may file with the Secretary a written notice of a desire to contest such determination. Upon receipt of such notice the Secretary shall cause publication to be made thereof and of such manufacturer's, producer's, or wholesaler's desire to contest the determination. Within 30 days after such publication, such manufacturer, producer, or wholesaler may commence an action in the United States Customs Court contesting such determination.".

(2) Section 2631(b) of title 28, United States Code, is amended by inserting before the period at the end thereof ", or, in the case of an action under section 516(d) of such Act, after the date of publication of a notice under such section".

(3) Section 2632 of title 28, United States Code, is amended—

(A) by striking out the first sentence of subsection (a) and inserting in lieu thereof the following: "A party may contest (1) denial of a protest under section 515 of the Tariff Act of 1930, as amended; (2) a decision of the Secretary of the Treasury made under section 516 of the Tariff Act of 1930, as amended; or (3) a determination by the Secretary of the Treasury under section 201 of the Antidumping Act, 1921, as amended, that a class or kind of merchandise is not being, nor likely to be, sold in the United

States at less than its fair value; by bringing a civil action in the Customs Court.";

(B) by inserting after "designee" in subsection (f) "in any action brought under subsection (a)(1) or (a)(2)"; and

(C) by adding at the end thereof the following new subsection:

"(g) Upon service of the summons on the Secretary of the Treasury or his designee in an action contesting the Secretary's determination under section 201 of the Antidumping Act, 1921, as amended, that a class or kind of foreign merchandise is not being, nor likely to be, sold in the United States at less than its fair value, the Secretary or his designee shall forthwith transmit to the United States Customs Court, as the official record of the civil action, a certified copy of the transcript of any hearing held by the Secretary in the particular antidumping proceeding pursuant to section 201(d)(1) of the Antidumping Act, 1921, as amended, and certified copies of all notices, determinations, or other matters which the Secretary has caused to be published in the Federal Register in connection with the particular antidumping proceeding.".

On page 218, at the beginning of line 18, strike out "(g)" and insert in lieu thereof "(h)".

On page 218, in line 18, strike out the words "subsections (a) and (b)" and insert in lieu thereof the word "subsection (a)".

On page 218, in line 22, strike out the words "(c) through (f)" and insert in lieu thereof the words "(b) through (e)".

On page 219, beginning at line 9, insert the following new language:

(3) The amendments made by subsection (f) shall apply with respect to merchandise which is exported from the country of exportation on or after the 90th day after the date of the enactment of this Act.

(4) The amendments made by subsection (g) shall apply with respect to determinations under section 201 of the Antidumping Act, 1921, resulting from questions of dumping raised or presented on or after the date of the enactment of this Act.

On page 220, in line 16, strike out the following language:

The Secretary of the Treasury shall determine within twelve months after the date on which the question is presented to him whether any bounty or grant is being paid or bestowed.

"(2) In the case of any imported article or merchandise which is free of duty, duties may be imposed under this section only if there is an affirmative determination by the Tariff Commission under subsection (b)(1); except that such a Tariff Commission determination shall be required only for such time as a determination of injury is required by the international obligations of the United States.

"(3) The Secretary of the Treasury shall from time to time ascertain and determine, or estimate, the net amount of each bounty or grant, and shall declare the net amount so determined or estimated.

"(4) Whenever, in the case of any imported article or merchandise as to which the Secretary has not determined whether a bounty or grant is being paid or bestowed, the Secretary concludes, from information presented to him or to any person to whom authority under this section has been delegated, that a formal investigation into the question of whether a bounty or grant is being paid or bestowed is warranted, he shall forthwith publish notice of the initiation of such an investigation in the Federal Register. The date of publication of such notice shall be considered the date on which the question is presented to the Secretary within the meaning of subsection (a)(1).

"(5) The Secretary of the Treasury shall make all regulations he may deem necessary for the identification of such articles and merchandise and for the assessment and collection of the duties under this section. All determinations by the Secretary under this section, and all determinations by the Tariff Commission under subsection (b)(1) (whether affirmative or negative), shall be published in the Federal Register.

"(b) INJURY DETERMINATIONS WITH RESPECT TO DUTY FREE MERCHANDISE; SUSPENSION OF LIQUIDATION. (1) Whenever the Secretary of the Treasury has determined under subsection (a) that a bounty or grant is being paid or bestowed with respect to any article or merchandise which is free of duty, he shall—

"(A) so advise the United States Tariff Commission, and the Commission shall determine within three months thereafter, and after such investigation as it deems necessary, whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such article or merchandise into the United States; and the Commission shall notify the Secretary of its determination; and

"(B) require, under such regulations as he may prescribe, the suspension of liquidation as to such article or merchandise entered, or withdrawn from warehouse, for consumption, on or after the thirtieth day after the date of the publication in the Federal Register of his determination under subsection (a)(1), and such suspension of liquidation shall continue until the further order of the Secretary or until he has made public an order as provided for in paragraph (3) of this subsection.

"(2) For the purposes of this subsection, the Tariff Commission shall be deemed to have made an affirmative determination if the Commissioners of such Commission voting are evenly divided as to whether its determination should be in the affirmative or in the negative.

"(3) If the determination of the Tariff Commission under paragraph (1)(A) is in the affirmative, the Secretary shall make public an order directing the assessment and collection of duties in the amount of such bounty or grant as is from time to time ascertained and determined, or estimated, under subsection (a).

"(c) APPLICATION OF AFFIRMATIVE DETERMINATION. An affirmative determination by the Secretary of the Treasury under subsection (a)(1) with respect to any imported article or merchandise shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the thirtieth day after the date of the publication in the Federal Register of such determination. In the case of any imported article or merchandise which is free of duty, so long as a finding of injury is required by the international obligations of the United States, the preceding sentence shall apply only if the Tariff Commission makes an affirmative determination of injury under subsection (b)(1).

"(d) ARTICLES SUBJECT TO QUANTITATIVE LIMITATIONS.—Whenever the Secretary determines, after seeking information and advice from such agencies as he may deem appropriate, that any article is subject to a quantitative limitation imposed by the United States on its importation into, or subject to an effective quantitative limitation on its exportation to, the United States and that such quantitative limitation is an adequate substitute for the imposition of a duty under this section, the imposition of an additional duty under this section shall not be required.

"(e) TEMPORARY PROVISION WHILE NEGOTIATIONS ARE IN PROCESS.—If, after seeking information and advice from such agencies as he may deem appropriate, the Secretary determines, at any time before the day which is four years after the date of the enactment of this subsection, that the imposition of an additional duty under this section with respect to any article would be likely to seriously jeopardize the satisfactory completion of the negotiations contemplated by sections 101 and 102 of the Trade Reform Act of 1973, the imposition of such additional duty under this section with respect to such article shall not be required. In the case of a question presented on or after the day which is one year after the date of the enactment of this Act, this subsection shall not apply with respect to any article which is the product of facilities owned or controlled by a developed country if the investment in, or the operation of, such facilities, is subsidized."

And insert in lieu thereof:

"(2) In the case of any imported article or merchandise which is free of duty, duties may be imposed under this section only if there is an affirmative determination by the Commission under subsection (b)(1); except that such a determination shall not be required unless a determination of injury is required by the international obligations of the United States.

"(3) In the case of any imported article or merchandise as to which the Secretary of the Treasury (hereafter in this section referred to as the 'Secretary') has not determined whether or not any bounty or grant is being paid or bestowed—

"(A) upon the filing of a petition by any person setting forth his belief that a bounty or grant is being paid or bestowed, and the reasons therefor, or

"(B) whenever the Secretary concludes, from information presented to him or to any person to whom authority under this section has been delegated, that a formal investigation is warranted into the question of whether a bounty or grant is being paid or bestowed, the Secretary shall initiate a formal investigation to determine whether or not any bounty or grant is being paid or bestowed and shall publish in the Federal Register notice of the initiation of such investigation.

"(4) Within six months from the date on which a petition is filed under paragraph (3)(A) or on which notice is published of an investigation initiated under paragraph (3)(B), the Secretary shall make a preliminary determination, and within twelve months from such date shall make a final determination, as to whether or not any bounty or grant is being paid or bestowed.

"(5) The Secretary shall from time to time ascertain and determine, or estimate, the net amount of each such bounty or grant, and shall declare the net amount so determined or estimated.

"(6) The Secretary shall make all regulations he deems necessary for the identification of articles and merchandise subject to duties under this section and for the assessment and collection of such duties. All determinations by the Secretary under this section, and all determinations by the Commission under subsection (b)(1), (whether affirmative or negative) shall be published in the Federal Register.

"(b) INJURY DETERMINATIONS WITH RESPECT TO DUTY-FREE MERCHANDISE; SUSPENSION OF LIQUIDATION.—(1) Whenever the Secretary makes a final determination under subsection (a) that a bounty or grant is being paid or bestowed with respect to any article or merchandise which is free of duty and a determination by the Commission is required under subsection (a)(2), he shall—

"(A) so advise the Commission, and the Commission shall determine within three months thereafter, and after such investiga-

tion as it deems necessary, whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such article or merchandise into the United States; and the Commission shall notify the Secretary of its determination; and

"(B) require, under such regulations as he may prescribe, the suspension of liquidation as to such article or merchandise entered, or withdrawn from warehouse, for consumption on or after the date of the publication in the Federal Register of his final determination under subsection (a), and such suspension of liquidation shall continue until the further order of the Secretary or until he has made public an order as provided for in paragraph (3).

"(2) For the purposes of this subsection, the Commission shall be deemed to have made an affirmative determination if the commissioners voting are evenly divided as to whether its determination should be in the affirmative or in the negative.

"(3) If the determination of the Commission under paragraph (1)(A) is in the affirmative, the Secretary shall make public an order directing the assessment and collection of duties in the amount of such bounty or grant as is from time to time ascertained and determined, or estimated, under subsection (a).

"(c) APPLICATION OF AFFIRMATIVE DETERMINATION.—An affirmative final determination by the Secretary under subsection (a) with respect to any imported article or merchandise shall apply with respect to articles entered, or withdrawn from wadehouse, for consumption on or after the date of the publication in the Federal Register of such determination. In the case of any imported article or merchandise which is free of duty, so long as a finding of injury is required by the international obligations of the United States, the preceding sentence shall apply only if the Commission makes an affirmative determination of injury under subsection (b)(1).

"(d) TEMPORARY PROVISION WHILE NEGOTIATIONS ARE IN PROCESS.—(1) It is the sense of the Congress that the President, to the extent practicable and consistent with United States interests, seek through negotiations the establishment of internationally agreed rules and procedures governing the use of subsidies (and other export incentives) and the application of countervailing duties.

"(2) If, after seeking information and advice from such agencies as he may deem appropriate, the Secretary of the Treasury determines, at any time during the two-year period beginning on the date of the enactment of the Trade Reform Act of 1974, that—

"(A) adequate steps have been taken to reduce substantially or eliminate during such period the adverse effect of a bounty or grant which he has determined is being paid or bestowed with respect to any article or merchandise;

"(B) there is a reasonable prospect that, under section 102 of the Trade Reform Act of 1974, successful trade agreements will be entered into with foreign countries or instrumentalities providing for the reduction or elimination of barriers to or other distortions of international trade; and

"(C) the imposition of the additional duty under this section with respect to such article or merchandise would be likely to seriously jeopardize the satisfactory completion of such negotiations;

the imposition of the additional duty under this section with respect to such article or merchandise shall not be required during the remainder of such two-year period.

"(3) The determination of the Secretary under paragraph (2) may be revoked by him, in his discretion, at any time, and any determination made under such paragraph shall be revoked whenever the basis supporting such determination no longer exists. The additional duty provided under this section shall apply with respect to any affected articles or merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of any revocation under this subsection in the Federal Register.

"(e) REPORTS TO CONGRESS.—(1) Whenever the Secretary makes a determination under subsection (d)(2) with respect to any article or merchandise, he shall promptly transmit to the House of Representatives and the Senate a document setting forth the determination, together with his reasons therefor.

"(2) If, at any time after the document referred to in paragraph (1) is delivered to the House of Representatives and the Senate, either the House or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval under the procedures set forth in section 152, then such determination under subsection (d)(2) with respect to such article or merchandise shall have no force or effect beginning with the day after the date of the adoption of such resolution of disapproval, and the additional duty provided under this section with respect to such article or merchandise shall apply with respect to articles or merchandise entered, or withdrawn from warehouse, for consumption on or after such day.".

On page 231, in line 5, strike out the words "Section 516 of the Tariff Act of 1930 (19 U.S.C. sec. 1516)" and insert in lieu thereof the words "So much of section 516 of the Tariff Act of 1930 (19 U.S.C. 1516) as precedes subsection (d)".

On page 233, beginning at line 20, insert the following new language:

(c) Section 515(d) of the Tariff Act of 1930 (19 U.S.C. 1315(d)) is amended by inserting before the period at the end thereof "or the imposition of countervailing duties under section 303".

On page 233, beginning at line 24, strike out the following language:

(c)(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) The last sentence of section 303(a)(1) of the Tariff Act of 1930 (as added by subsection (a) of this section) shall apply only with respect to questions presented on or after the date of the enactment of this Act.

And insert in lieu thereof:

(d)(1) The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) For purposes of applying the provisions of section 303(a)(4) of the Tariff Act of 1930 (as amended by subsection (a)) with respect to any investigation which was initiated before the date of the enactment of this Act under section 303 of such Act (as in effect before such date), such investigation shall be treated as having been initiated on the day after such date of enactment under section 303(a)(3)(B) of such Act.

On page 235, beginning at line 2, strike out the following language:

SEC. 341. AMENDMENTS TO SECTION 337 OF THE TARIFF ACT OF 1930.

(a) Section 337 of the Tariff Act of 1930 (19 U.S.C. sec. 1337) is amended by redesignating subsection (h) as subsection (i) and by inserting immediately after subsection (g) the following new subsection:

"(h) UNITED STATES PATENTS.—The foregoing provisions of subsections (c) through (g) do not apply with respect to alleged unfair methods of competition and unfair acts based upon the claims of United States letters patent. Such alleged violations shall be dealt with by the commission as hereinafter provided:

"(1) Whenever the commission has reason to believe from the evidence in its possession that any article entered into the United States in violation of this section would, in the absence of exclusion, result in immediate and substantial harm, the Secretary of the Treasury shall, upon the commission's order in writing, exclude such articles from entry until an investigation by the commission may be completed; except that such articles shall be entitled to entry under bond prescribed by the Secretary.

"(2) Whenever the existence of any such unfair method or act shall be established to the satisfaction of the commission, the commission shall order that the articles concerned in such unfair methods or acts, imported by any person violating the provisions of this section, shall be excluded from entry into the United States, and upon information of such action by the commission, the Secretary of the Treasury shall, through the proper officers, refuse such entry. The decision of the commission shall be final.

"(3) Any refusal of entry under this section shall continue in effect until the commission shall find and instruct the Secretary of the Treasury that the conditions which led to such refusal of entry no longer exist.

"(4) Any order entered pursuant to this subsection shall be made on the record after opportunity for a full hearing, including the opportunity to present legal defenses. Any person adversely affected by an action of the commission or refusal of the commission to act shall have the right to seek judicial review in the United States Court of Customs and Patent Appeals within such time after said action is made and in such manner as appeals may be taken from decisions of the United States Customs Court.".

(b) Subsection (a) of such section 337 is amended by striking out "by the President".

(c) Subsection (b) of such section 337 is amended by striking out "To assist the President in making any decisions under this section the" and inserting in lieu thereof "The".

And insert in lieu thereof:

SEC 341. AMENDMENT TO SECTION 337 OF THE TARIFF ACT OF 1930.

(a) Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) is amended to read as follows:

"SEC. 337. UNFAIR PRACTICES IN IMPORT TRADE.

"(a) UNFAIR METHODS OF COMPETITION DECLARED UNLAWFUL.—Unfair methods of competition and unfair acts in the importation of articles into the United States, or in their sale by the owner, importer, consignee, or agent of either, the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated, in the United States, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce in the United States, are declared unlawful, and when found by the Commission to exist shall be dealt with, in addition to any other provisions of law, as provided in this section.

"(b) INVESTIGATIONS OF VIOLATIONS BY COMMISSION; TIME LIMITS.—(1) The Commission shall investigate any alleged violation of this section on complaint under oath or upon its initiative. Upon commencing any such investigation, the Commission shall publish notice thereof in the Federal Register. The Commission shall conclude any such investigation, and make its determination under this section, at the earliest practicable time, but not later than one year (18 months in more complicated cases) after the date of publication of notice of such investigation. The Commission shall publish in the Federal Register its reasons for designating any investigation as a more complicated investigation. For purposes of the one-year and

18-month periods prescribed by this subsection, there shall be excluded any period of time during which such investigation is suspended because of proceedings in a court or agency of the United States involving similar questions concerning the subject matter of such investigation.

"(2) During the course of each investigation under this section, the Commission shall consult with, and seek advice and information from, the Department of Health, Education, and Welfare, the Department of Justice, the Federal Trade Commission, and such other departments and agencies as it considers appropriate.

"(3) Whenever, in the course of an investigation under this section, the Commission has reason to believe, based on information before it, that the matter may come within the purview of section 303 or of the Antidumping Act, 1921, it shall promptly notify the Secretary of the Treasury so that such action may be taken as is otherwise authorized by such section and such Act.

"(c) DETERMINATIONS; REVIEW.—The Commission shall determine, with respect to each investigation conducted by it under this section, whether or not there is a violation of this section. Each determination under subsection (d) or (e) shall be made on the record after notice and opportunity for a hearing in conformity with the provisions of subchapter II of chapter 5 of title 5, United States Code. All legal and equitable defenses may be presented, and, in cases based on claims of United States letters patent, defenses based on claims of price gouging may be presented. Any person adversely affected by a final determination of the Commission under subsection (d) or (e) may appeal such determination to the United States Court of Customs and Patent Appeals. Such court shall have jurisdiction to review such determination in the same manner and subject to the same limitations and conditions as in the case of appeals from decisions of the United States Customs Court.

"(d) EXCLUSIONS OF ARTICLES FROM ENTRY.—If the Commission determines, as a result of an investigation under this section, that there is violation of this section, it shall direct that the articles concerned, imported by any person violating the provision of this section, be excluded from entry into the United States, unless, after considering the effect of such exclusion upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, it finds that such articles should not be excluded from entry. The Commission shall notify the Secretary of the Treasury of its action under this subsection directing such exclusion from entry, and upon receipt of such notice, the Secretary shall, through the proper officers, refuse such entry.

"(e) EXCLUSION OF ARTICLES FROM ENTRY DURING INVESTIGATION EXCEPT UNDER BOND.—If, during the course of an investigation under this section, the Commission determines that there is reason to believe that there is a violation of this section, it may direct that the articles concerned, imported by any person with respect to whom there is reason to believe that such person is violating this section, be excluded from entry into the United States, unless, after considering the effect of such exclusion upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, it finds that such articles should not be excluded from entry. The Commission shall notify the Secretary of the Treasury of its action under this subsection directing such exclusion from entry, and upon receipt of such notice, the Secretary shall, through the proper officers, refuse such entry, except that such articles shall be entitled to entry under bond determined by the Commission and prescribed by the Secretary.

"(f) CEASE AND DESIST ORDERS.—In lieu of taking action under subsection (d) or (e), the Commission may issue and cause to be served on any person violating this section, or believed to be violating this section, as the case may be, an order directing such person to cease and desist from engaging in the unfair methods or acts involved, unless after considering the effect of such order upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, it finds that such order should not be issued. The Commission may at any time, upon such notice and in such manner as it deems proper, modify or revoke any such order, and, in the case of a revocation, may take action under subsection (d) or (e), as the case may be.

"(g) REFERRAL TO THE PRESIDENT.—(1) If the Commission determines that there is a violation of this section, or that, for purposes of subsection (e), there is reason to believe that there is such a violation, it shall—

"(A) publish such determination in the Federal Register, and

"(B) transmit to the President a copy of such determination and the action taken under subsection (d), (e), or (f), with respect thereto, together with the record upon which such determination is based.

"(2) If, before the close of the 60-day period beginning on the day after the day on which he receives a copy of such determination, the President, for policy reasons, disapproves such determination and notifies the Commission of his disapproval, then, effective on the date of such notice, such determination and the action taken under subsection (d), (e), or (f) with respect thereto shall have no force or effect.

"(3) Subject to the provisions of paragraph (2), such determination shall, except for purposes of subsection (c), be effective upon publication thereof in the Federal Register, and the action taken under subsection (d), (e), or (f) with respect thereto shall be effective as provided in such subsections, except that articles directed to be excluded from entry under subsection (d) or subject to a cease-and desist order under subsection (f) shall be entitled to entry under bond determined by the Commission and prescribed by the Secretary until such determination becomes final.

"(4) If the President does not disapprove such determination within such 60-day period, or if he notifies the Commission before the close of such period that he approves such determination, then, for purposes of paragraph (3) and subsection (c) such determination shall become final on the day after the close of such period or the day on which the President notifies the Commission of his approval, as the case may be.

"(h) PERIOD OF EFFECTIVENESS.—Except as provided in subsections (f) and (g), any exclusion from entry or order under this section shall continue in effect until the Commission finds, and in the case of exclusion from entry notifies the Secretary of the Treasury, that the conditions which led to such exclusion from entry or order no longer exist.

"(i) IMPORTATIONS BY OR FOR THE UNITED STATES.—Any exclusion from entry or order under subsection (d), (e), or (f), in cases based on claims of United States letters patent, shall not apply to any articles imported by and for the use of the United States, or imported for, and to be used for, the United States with the authorization or consent of the Government. Whenever any article would have been excluded from entry or would not have been entered pursuant to the provisions of such subsections but for the operation of this subsection, a patent owner adversely affected shall be entitled to reasonable and entire compensation in an action before the Court of Claims pursuant to the procedures of section 1498 of title 28, United States Code.

"(j) DEFINITION OF UNITED STATES.—For purposes of this section and sections 338 and 340, the term 'United States' means the customs territory of the United States as defined in general headnote 2 of the Tariff Schedules of the United States."

(b) Section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) is amended by adding at the end thereof the following new sentence: "Each such annual report shall include a list of all complaints filed under section 337 during the year for which such report is being made, the date on which each such complaint was filed, and the action taken thereon, and the status of all investigations conducted by the commission under such section during such year and the date on which each such investigation was commenced."

(c) The amendments made by this section shall take effect on the 90th day after the date of the enactment of this Act, except that, for purposes of issuing regulations under section 337 of the Tariff Act of 1930, such amendments shall take effect on the date of the enactment of this Act. For purposes of applying section 337(b) of the Tariff Act of 1930 (as amended by subsection (a)) with respect to investigations being conducted by the International Trade Commission under section 337 of the Tariff Act on the day prior to the 90th day after the date of the enactment of this Act, such investigations shall be considered as having been commenced on such 90th day.

On page 245, in line 8, strike out the word "ENJOYING" and insert in lieu thereof the words "CURRENTLY RECEIVING".

On page 245, in line 16, strike out the words "column 1 tariff treatment" and insert in lieu thereof the words "the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States".

On page 247, in line 16, strike out the words "column 1 tariff treatment" and insert in lieu thereof the words "the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States".

On page 247, beginnnig at line 20, insert the following new language:

SEC. 403. UNITED STATES PERSONNEL MISSING IN ACTION IN SOUTHEAST ASIA

(a) Notwithstanding any other provision of law, if the Preisdent determines that a nonmarket economy country is not cooperating with the United States—

(1) to achieve a complete accounting of all United States military and civilian personnel who are missing in action in Southeast Asia,

(2) to repatriate such personnel who are alive; and

(3) to return the remains of such personnel who are dead to the United States,

then during the period beginning with the date of such determination and ending on the date on which the President determines such country is cooperating with the United States—

(A) the products of such country may not receive nondiscriminatory treatment,

(B) such country may not participate, directly or indirectly, in any program under which the United States extends credit, credit guarantees, or investment guarantees, and

(C) no commercial agreement entered into under this title between such country and the United States will take effect.

(b) After the date of the enactment of this Act, (1) a nonmarket economy country may receive nondiscriminatory treatment, (2)

such country may participate in a program under which the United States extends credit, credit guarantees, or investment guarantees, and (3) a commercial agreement between the United States and such country entered into under this title may take effect under the provisions of this title, only after the President has submitted to the Congress a report indicating that such country is cooperating with the United States as described in subsection (a). Such report shall include information as to the nature of the cooperation by such country with the United States in securing an accounting for military and civilian personnel who are missing in action, the repatriation of those who are alive, and the recovery of the remains of those who are dead. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter so long as such treatment is received, such credits or guarantees are extended, or such agreement is in effect.

(c) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.

On page 349, in line 18, strike out the number "403." and insert in lieu thereof the number "404.".

On page 249, beginning at line 20, strike out the following language:

(a) The President may by proclamation extend nondiscriminatory treatment to the products of a foreign country which—

(1) has entered into a bilateral commercial agreement referred to in section 404, or

(2) has become a party to an appropriate multilateral trade agreement to which the United States is also a party.

No such proclamation may take effect before the close of the applicable 90 day period referred to in section 406(c).

And insert in lieu thereof:

(a) Subject to the provisions of section 405(c), the President may by proclamation extend nondiscriminatory treatment to the products of a foreign country which has entered into a bilateral commercial agreement referred to in section 405.

On page 250, in line 13, strike out the words "or multilateral agreement".

On page 250, in line 24, strike out the words "column 2 rate" and insert in lieu thereof the words "rates set forth in rate column numbered 2 of the Tariff Schedules of the United States".

On page 251, in line 3, strike out the number "404:" and insert in lieu thereof the number "405.".

On page 251, in line 6, strike out "(d)" and insert in lieu thereof "(c)".

On page 251, in line 18, strike out the words "trade concessions" and insert in lieu thereof the words "concessions in trade and services".

On page 251, in line 20, strike out the word "each" and insert in lieu thereof the word "such".

On page 252, beginning at line 8, strike out the following language:

(3) provide safeguard arrangements necessary to prevent disruption of domestic markets;

(4) if the other party to the bilateral agreement is not a party to the Paris Convention for the Protection or Industrial Property, provide rights for United States nationals with respect to patents in such country not less than the rights specified in such convention;

(5) provide arrangements for the settlement of commercial differences and disputes; and

(6) provide for consultations for the purpose of reviewing the operation of the agreement and relevant aspects of relations between the United States and the other party.

(c) Bilateral commercial agreements referred to in subsection (a) may, in addition, include provisions concerning—

(1) arrangements for the protection of industrial rights and processes, trademarks, and copyrights;

(2) arrangements for the promotion of trade, including those for the establishment or expansion of trade and tourist promotion offices, for facilitation of activities of governmental commercial officers, participation in trade fairs and exhibits and the sending of trade missions, and for facilitation of entry, establishment, and travel of commercial representatives; and

(3) such other arrangements of a commercial nature as will promote the purposes stated in section 2.

(d) An agreement referred to in subsection (a), and a proclamation referred to in section 403(a), shall take effect only if, during the 90-day period referred to in section 406 (c), a disapproval resolution referred to in section 151 is not adopted.

And insert in lieu thereof:

(3) include safeguard arrangements (A) providing for prompt consultations whenever either actual or prospective imports cause or threaten to cause, or significantly contribute to, market disruption and (B) authorizing the imposition of such import restrictions as may be appropriate to prevent such market disruption;

(4) if the other party to the bilateral agreement is not a party to the Paris Convention for the Protection of Industrial Property, provide rights for United States nationals with respect to patents and trademarks in such country not less than the rights specified in such convention;

(5) if the other party to the bilateral agreement is not a party to the Universal Copyright Convention, provide rights for United States nationals with respect to copyrights in such country not less than the rights specified in such convention;

(6) in the case of an agreement entered into or renewed after the date of the enactment of this Act, provide arrangements for the protection of industrial rights and processes;

(7) provide arrangements for the settlement of commercial differences and disputes;

(8) in the case of an agreement entered into or renewed after the date of the enactment of this Act, provide arrangements for the promotion of trade, which may include those for the establishment or expansion of trade and tourist promotion offices, for facilitation of activities of governmental commerical officers, participation in trade fairs and exhibits, and the sending of trade missions, and for facilitation of entry, establishment, and travel of commercial representatives;

(9) provide for consultations for the purpose of reviewing the operation of the agreement and relevant aspects of relations between the United States and the other party; and

(10) provide such other arrangements of a commercial nature as will promote the purposes of this Act.

(c) An agreement referred to in subsection (a), and a proclamation referred to in section 404(a) implementing such agreement, shall take effect only if (1) approved by the Congress by the adoption of a concurrent resolution referred to in section 151, or (2) in the case of an agreement entered into before the date of the enactment of this Act and a proclamation implementing such agreement, a resolution of disapproval referred to in section 152 is not adopted during the 90-day period specified by section 407(c)(2).

On page 255, in line 14, strike out the number "405." and insert in lieu thereof the number "406.".

On page 255, beginning at line 15, strike out the following language:

(a) A petition may be filed, or a Tariff Commission investigation otherwise initiated, under section 201 of this Act in respect of imports of an article manufactured or produced in a country, the products of which are receiving nondiscriminatory treatment pursuant to this title, in which case the Tariff Commission shall determine (in lieu of the determination described in section 201(b) of this Act) whether imports of such article produced in such country are causing or are likely to cause market disruption and material injury to a domestic industry producing like or directly competitive articles.

(b) For purposes of sections 202 and 203, an affirmative determination of the Tariff Commission pursuant to subsection (a) of this section shall be treated as an affirmative determination of the Tariff Commission pursuant to section 201(b) of this Act; except that the President, in taking action pursuant to section 203(b), may adjust imports of the article from the country in question without taking action in respect of imports from other countries.

(c) For purposes of this section, market disruption exists whenever imports of a like or directly competitive article are substantial, are increasing rapidly both absolutely and as a proportion of total domestic consumption, and are offered at prices substantially below those of comparable domestic articles.

And insert in lieu thereof:

(a)(1) Upon the filing of a petition by an entity described in section 201(a)(1), upon request of the President or the Special Representative for Trade Negotiations, upon resolution of either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, or on its own motion, the International Trade Commission (hereafter in this section referred to as the "Commission") shall promptly make an investigation to determine, with respect to imports of an article which is the product of a Communist country, whether market disruption exists with respect to an article produced by a domestic industry.

(2) The provisions of subsections (a)(2), (b)(3), and (c) of section 201 shall apply with respect to investigations by the Commission under paragraph (1).

(3) The Commission shall report to the President its determination with respect to each investigation under paragraph (1) and the basis therefor and shall include in each report any dissenting or separate views. If the Commission finds, as a result of its investigation, that market disruption exists with respect to an article produced by a domestic industry, it shall find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such market disruption and shall include such finding in its report to the President. The Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(4) The report of the Commission of its determination with respect to an investigation under paragraph (1) shall be made at the earliest practicable time, but not later

than 3 months after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be). Upon making such report to the President, the Commission shall also promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

(b) For purposes of sections 202 and 203, an affirmative determination of the Commission under subsection (a) shall be treated as an affirmative determination under section 201(b), except that—

(1) the President may take action under sections 202 and 203 only with respect to imports from the country or countries involved of the article with respect to which the affirmative determination was made, and

(2) if such action consists of, or includes, an orderly marketing agreement, such agreement shall be entered into within 60 days after the import relief determination date.

(c) If, at any time, the President finds that there are reasonable grounds to believe, with respect to imports of an article which is the product of a Communist country, that market disruption exists with respect to an article produced by a domestic industry, he shall request the Commission to initiate an investigation under subsection (a). If the President further finds that emergency action is necessary, he may take action under sections 202 and 203 as if an affirmative determination of the Commission had been made under subsection (a). Any action taken by the President under the preceding sentence shall cease to apply (1) if a negative determination is made by the Commission under subsection (a) with respect to imports of such article, on the day on which the Commission's report of such determination is submitted to the President, or (2) if an affirmative determination is made by the Commission under subsection (a) with respect to imports of such article, on the day on which the action taken by the President pursuant to such determination becomes effective.

(d)(1) A petition may be filed with the Special Representative for Trade Negotiations by an entity described in section 201(a)(1) requesting the Special Representative to initiate consultations provided for by the safeguard arrangements of any agreement entered into under section 405 with respect to imports of an article which is the product of the country which is the other party to such agreement.

(2) If the Special Representative determines that there are reasonable grounds to believe, with respect to imports of such article, that market disruption exists with respect to an article produced by a domestic industry, he shall initiate consultations with such country with respect to such imports.

(e) For purposes of this section—

(1) The term "Communist country" means any country dominated or controlled by communism.

(2) Market disruption exists within a domestic industry whenever an article is being, or is likely to be, imported into the United States in such increased quantities as to be a significant cause of material injury, or the threat thereof, to such domestic industry.

On page 260, in line 5, strike out the number "406." and insert in lieu thereof the number "407.".

On page 260, in line 5, strike out the words "DISAPPROVAL OF EXTENSION OR CONTINUANCE OF NONDISCRIMINATORY TREATMENT" and insert in lieu thereof the words "APPROVAL OR DISAPPROVAL OF EXTENSION OF NONDISCRIMINATORY TREATMENT AND PRESIDENTIAL REPORTS".

On page 260, in line 12, strike out the number "403" and insert in lieu thereof the number "404".

On page 260, beginning at line 18, strike out the following language:

(b) On or before December 31 of each year, the President shall transmit to the Congress, with respect to each foreign country the products of which are receiving nondiscriminatory treatment under this title, a document containing the report required by section 402(b) to be submitted on or before December 31.

And insert in lieu thereof:

(b) The President shall transmit to the House of Representatives and the Senate a document containing the initial report submitted by him under section 402(b) or 403(b) with respect to a nonmarket economy country. On or before December 31 of each year, the President shall transmit to the House of Representatives and the Senate, a document containing the report required by section 402(b) or 403(b), as the case may be, to be submitted on or before such December 31.

On page 261, beginning at line 8, strike out the following language:

(c) If, before the close of the 90-day period beginning on the day on which the copy of the document referred to in subsection (a) or (b) is delivered to the House of Representatives and to the Senate, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval (under the procedures set forth in section 151) of the extension of nondiscriminatory treatment to the products of such country or for the continuing in effect of nondiscriminatory treatment with respect to such products, as the case may be, then, beginning with the day after the date of the adoption of such resolution of disapproval, nondiscriminatory treatment shall not be in force with respect to the products of such country, and the products of such country shall be dutiable at the column 2 rate.

And insert in lieu thereof:

(c)(1) In the case of a document referred to in subsection (a) (other than a document to which paragraph (2) applies), the proclamation set forth therein may become effective and the agreement set forth therein may enter into force and effect only if the House of Representatives and the Senate adopt, by an affirmative vote of a minority of those present and voting in each House, a concurrent resolution of approval (under the procedures set forth in section 151) of the extension of nondiscriminatory treatment to the products of the country concerned.

(2) In the case of a document referred to in subsection (a) which sets forth an agreement entered into before the date of the enactment of this Act and a proclamation implementing such agreement, such proclamation may become effective and such agreement may enter into force and effect after the close of the 90-day period beginning on the day on which such document is delivered to the House of Representatives and to the Senate, unless during such 90-day period either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution of disapproval (under the procedures set forth in section 152) of the extension of nondiscriminatory treatment to the products of the country concerned.

(3) In the case of a document referred to in subsection (b) which contains a report submitted by the President under section 402(b) or 403(b) with respect to a nonmarket economy country, if, before the close of the 90-day period beginning on the day on which such document is delivered to the House of Representatives and to the Senate, either the House of Representatives or the Senate adopts, by an affirmative vote of a Senate adopts, by an affirmative vote of a House, a resolution of disapproval (under the procedures set forth in section 152) of the report submitted by the President with respect to the products of such country, and the the day after the date of the adoption of such resolution of disapproval, (A) nondiscriminatory treatment shall not be in force with respect to the products of such country, and the products of such country shall be dutiable at the rates set forth in rate column numbered 2 of the Tariff Schedules of the United States, (B) such country may not participate in any program of the Government of the United States which extends credit or credit guarantees or investment guarantees, and (C) no commercial agreement may thereafter be concluded with such country under this title.

On page 263, beginning at line 18, strike out the following language:

SEC. 407. EFFECTS OF OTHER LAWS.

The President shall from time to time reflect in general headnote 3(e) of the Tariff Schedules of the United States the provisions of this title and proclamations issued thereunder, as appropriate.

On page 264, beginning at line 1, insert the following new language:

SEC. 408. PAYMENT BY CZECHOSLOVAKIA OF AMOUNTS OWED UNITED STATES CITIZENS AND NATIONALS.

Notwithstanding any other provision of law, Czechoslovakia shall not be eligible to receive most-favored-nation treatment or to participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the Government of the United States shall not consent to the release to Czechoslovakia of any gold belonging to that nation and controlled directly or indirectly by the United States pursuant to the provisions of the Paris Reparations Agreement of January 24, 1946, or otherwise, until the Government of Czechoslovakia first pays all principal amounts it owes to citizens or nationals of the United States on awards heretofore rendered against that nation by the Foreign Claims Settlement Commission of the United States under the provisions of Public Law 85-604 (22 U.S.C. 1642 et seq.).

On page 265, in line 12, strike out the words "which, as of the date of entry or withdrawal from warehouse for consumption," and insert in lieu thereof the word "which".

On page 266, in line 1, strike out the number "30" and insert in lieu thereof the number "60".

On page 266, in line 2, after the word "Senate" insert the words "and has notified each country".

On page 266, beginning at line 6, strike out the following language:

(3) For purposes of this title, the term "country" means any foreign country, any overseas dependent territory or possession of a foreign country, any insular possession of the United States, or the Trust Territory of the Pacific Islands. In the case of any association of countries for trade purposes no member of which is barred from designation under subsection (b), the President may by Executive order provide that all members of such association shall be treated as one country for purposes of this title.

And insert in lieu thereof:

(3) For purposes of this title, the term "country" means any foreign country, any

overseas dependent territory or possession of a foreign country, or the Trust Territory of the Pacific Islands. In the case of an association of countries which is a free trade area or customs union, the President may by Executive order provide that all members of such association other than members which are barred from designation under subsection (b) shall be treated as one country for purposes of this title.

On page 267, beginning at line 13, strike out the following language:

(1) if the products of such country do not receive nondiscriminatory treatment by reason of general headnote 3(e) to the Tariff Schedules of the United States; or

(2) if such country affords preferential treatment to the products of a developed country other than the United States, unless the President has received assurances satisfactory to him that such preferential treatment will be eliminated before January 1, 1976.

And insert in lieu thereof:

(1) if such country is dominated or controlled by communism;

(2) if such country is a member of the Organization of Petroleum Exporting Countries;

(3) if such country is a party to any arrangement with other foreign countries, the effect of which is to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level which causes serious disruption of the world economy;

(4) if such country accords preferential treatment to the products of a developed country, other than the United States, which has, or is likely to have, a significant adverse effect on United States commerce, unless the President has received assurances satisfactory to him that such preferential treatment will be eliminated before January 1, 1976, or that action will be taken before January 1, 1976, to assure that there will be no such significant adverse effect, and he reports those assurances to the Congress;

(5) if such country—

(A) has nationalized, expropriated, or otherwise seized ownership or control of property owned by a United States citizen or by a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens,

(B) has taken steps to repudiate or nullify an existing contract or agreement with a United States citizen or a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property so owned, or

(C) has imposed or enforced taxes or other exactions, restrictive maintenance or operational conditions, or other measures with respect to property so owned, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of such property,

unless—

(D) the President determines that—

(i) prompt, adequate, and effective compensation has been or is being made to such citizen, corporation, partnership, or association,

(ii) good faith negotiations to provide prompt, adequate, and effective compensation under the applicable provisions of international law are in progress, or such country is otherwise taking steps to discharge its obligations under international law with respect to such citizen, corporation, partnership, or association, or

(iii) a dispute involving such citizen, corporation, partnership, or association over compensation for such a seizure has been submitted to arbitration under the provisions of the Convention for the Settlement of Investment Disputes, or in another mutually agreed upon forum, and

promptly furnishes a copy of such determination to the Senate and House of Representatives; and

(6) if such country does not take adequate steps to prevent narcotic drugs and other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 812)) produced, processed, or transported in such country from entering the United States unlawfully.

On page 271, beginning at line 3, strike out the following language:

(4) whether or not such country has nationalized, expropriated, or seized ownership or control of property owned by a United States citizen, or by any corporation, partnership, or association not less than 50 percent beneficially owned by citizens of the United States, without provision for the payment of prompt, adequate, and effective compensation.

And insert in lieu thereof:

(4) the extent to which such country has assured the United States it will provide equitable and reasonable access to the markets and basic commodity resources of such country.

(d) General headnote 3(a) to the Tariff Schedules of the United States (19 U.S.C. 1202) (relating to products of insular possessions) is amended by adding at the end thereof the following new paragraph:

"(iii) Subject to the limitations imposed under sections 503(b) and 504(c) of the Trade Reform Act of 1974, articles designated eligible articles under section 503 of such Act which are imported from an insular possession of the United States shall receive duty treatment no less favorable than the treatment afforded such articles imported from a beneficiary developing country under title V of such Act."

(e) The President may exempt from the application of paragraphs (2) and (3) of subsection (b) any country during the period during which such country (A) is a party to a bilateral or multilateral trade agreement to which the United States is also a party if such agreement fulfills the negotiating objectives set forth in section 108 of assuring the United States fair and equitable access at reasonable prices to supplies of articles of commerce important to the economic requirements of the United States and (B) is not in violation of such agreement by action denying the United States such fair and equitable access.

On page 272, beginning at line 13, strike out the following language:

(a) The President shall, from time to time, publish and furnish the Tariff Commission with lists of articles which may be considered for designation as eligible articles for purposes of this title. Before any such list is furnished to the Tariff Commission, there shall be in effect an Executive order under section 502 designating beneficiary developing countries. Before any action is taken under section 501 to provide duty-free treatment for any article, the provisions of sections 131, 132, 133, and 134 of this Act shall be complied with as though action under section 501 were action under section 101 of this Act to carry out a trade agreement entered into under section 101.

(b) The duty-free treatment provided under section 501 with respect to any eligible article shall apply only—

(1) to an article which is imported directly from a beneficiary developing country into the customs territory of the United States; and

(2) if the sum of (A) the cost or value of the materials produced in the beneficiary developing country plus (B) the direct costs of processing operations performed in the beneficiary developing country equal or exceed the prescribed percentage of the appraised value of the article at the time of its entry into the customs territory of the United States.

(c)(1) For purposes of subsection (b)(2), the prescribed percentage shall be that percentage, not less than 35 percent and not more than 50 percent of the appraised value, prescribed by the Secretary of the Treasury by regulations. Such percentage, which may be modified from time to time, shall apply uniformly to all articles from all beneficiary developing countries.

(2) The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection and subsection (b).

(d) No article shall be an eligible article for purposes of this title for any period during which such article is the subject of any action proclaimed pursuant to section 203 of this Act or section 351 of the Trade Expansion Act of 1962.

And insert in lieu thereof:

(a) The President shall, from time to time, publish and furnish the International Trade Commission with lists of articles which may be considered for designation as eligible articles for purposes of this title. Before any such list is furnished to the Commission, there shall be in effect an Executive order under section 502 designating beneficiary developing countries. The provisions of sections 131, 132, 133, and 134 of this Act shall be complied with as though action under section 501 were action under section 101 of this Act to carry out a trade agreement entered into under section 101. After receiving the advice of the Commission with respect to the listed articles, the President shall designate those articles he considers appropriate to be eligible articles for purposes of this title by Executive order.

(b) The duty-free treatment provided under section 501 with respect to any eligible article shall apply only—

(1) to an article which is imported directly from a beneficiary developing country into the customs territory of the United States; and

(2)(A) if the sum of (i) the cost or value of the materials produced in the beneficiary developing country plus (ii) the direct costs of processing operations performed in such beneficiary developing country is not less than 35 percent of the appraised value of such article at the time of its entry into the customs territory of the United States; or

(B) if the sum of (i) the cost or value of the materials produced in 2 or more countries which are members of the same association of countries which is treated as one country under section 502(a)(3), plus (ii) the direct costs of processing operations performed in such countries is not less than 50 percent of the appraised value of such article at the time of its entry into the customs territory of the United States.

For purposes of paragraph (2)(A), the term "country" does not include an association of countries which is treated as one country under section 502(a)(3) but does include a country which is a member of any such association. The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection.

(c) No article shall be an eligible article for purposes of this title for any period during which such article is the subject of any action proclaimed pursuant to section 203 of this Act or section 232 or 351 of the Trade Expansion Act of 1962.

On page 276, beginning at line 7, strike out the following language:

(b) The President shall withdraw or suspend the designation of any country as a beneficiary developing country if, after such designation—

(1) the products of such country are excluded from the benefit of nondiscriminatory treatment by reason of general headnote 3(e) to the Tariff Schedules of the United States; or

(2) he determines that such country has not eliminated or will not eliminate preferential treatment accorded by it to the products of a developed country other than the United States before January 1, 1976.

(c) Whenever the President determines that any country—

(1) has exported (directly or indirectly) to the United States a quantity of such article having an appraised value of more than $25,000,000 during any calendar year, or

(2) has exported (either directly or indirectly) to the United States a quantity of any article equal to or exceeding 50 percent of the value of the total imports of such article into the United States during any calendar year,

then, not later than 60 days after the close of such calendar year, such country shall not be treated as a beneficiary developing country with respect to such article unless, on or before such 60th day, the President determines and publishes that it is in the national interest to designate, or to continue the designation of, such country as a beneficiary developing country with respect to such article.

And insert in lieu thereof:

(b) The President shall, after complying with the requirements of section 502(a)(2), withdraw or suspend the designation of any country as a beneficiary developing country if, after such designation, he determines that as the result of changed circumstances such country would be barred from designation as a beneficiary developing country under section 502(b). Such country shall cease to be a beneficiary developing country on the day on which the President issues an Executive order revoking his designation of such country under section 502.

(c)(1) Whenever the President determines that any country—

(A) has exported (directly or indirectly) to the United States during a calendar year a quantity of an eligible article having an appraised value in excess of an amount which bears the same ratio to $25,000,000 as the gross national product of the United States for the preceding calendar year, as determined by the Department of Commerce, bears to the gross national product of the United States for calendar year 1974, or

(B) except as provided in subsection (d), has exported (either directly or indirectly) to the United States a quantity of any eligible article equal to or exceeding 50 percent of the appraised value of the total imports of such article into the United States during any calendar year,

then, not later than 60 days after the close of such calendar year, such country shall not be treated as a beneficiary developing country with respect to such article, except that, if before such 60th day, the President determines and publishes in the Federal Register that, with respect to such country—

(i) there has been an historical preferential trade relationship between the United States and such country,

(ii) there is a treaty or trade agreement in force covering economic relations between such country and the United States, and

(iii) such country does not discriminate against, or impose unjustifiable or unreasonable barriers to, United States commerce, then he may designate, or continue the designation of, such country as a beneficiary developing country with respect to such article.

(2) A country which is no longer treated as a beneficiary developing country with respect to an eligible article by reason of this subsection may be redesignated, subject to the provisions of section 502, a beneficiary developing country with respect to such article if imports of such article from such country did not exceed the limitations in paragraph (1) of this subsection during the preceding calendar year.

(d) Subsection (c)(1)(B) does not apply with respect to any eligible article if a like or directly competitive article is not produced in the United States.

On page 279, at the beginning of line 13, strike out "(d)" and insert in lieu thereof "(e)".

On page 280, in lieu 20, strike out the words "period, before the date on which the trade agreement is entered into, determined by him to be representative" and insert in lieu thereof the words "representative period".

On page 281, in lieu 5, strike out the words "period determined by him to be representative" and insert in lieu thereof the words "representative period".

On page 281, beginning at line 25, strike out the following language:

(7) The term "existing" without the specification of any date, when used with respect to any matter relating to entering into or carrying out a trade agreement or other action authorized by this Act, means existing on the day on which such trade agreement is entered into or such other action is taken, and, when referring to a rate of duty, refers to the nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing in column 1 of the Tariff Schedules of the United States on such day.

And insert in lieu thereof:

(7) The term "existing" means (A) when used, without the specification of any date, with respect to any matter relating to entering into or carrying out a trade agreement or other action authorized by this Act, existing on the day on which such trade agreement is entered into or such other action is taken; and (B) when used with respect to a rate of duty, the nonpreferential rate of duty (however established, and even through temporarily suspended by Act of Congress or otherwise) set forth in rate column numbered 1 of schedules 1 through 7 of the Tariff Schedules of the United States on the date specified or (if no date is specified) on the day referred to in clause (A).

On page 283, beginning at line 5, insert the following new language:

(10) The term "commerce" includes services associated with international trade.

On page 283, in line 14, strike out "1973" and insert in lieu thereof "1974".

On page 283, in line 19, strike out "1973" and insert in lieu thereof "1974".

On page 283, in line 24, strike out "1973" and insert in lieu thereof "1974".

On page 284, in line 6, strike out "1973" and insert in lieu thereof "1974".

On page 284, in line 9, after the word "paragraph (2)," insert the words "and inserting in lieu thereof the following: "unless extended under section 203 of the Trade Reform Act of 1974,"".

On page 284, at the end of line 14, strike out "(d)" and insert in lieu thereof "(e)".

On page 285, in line 11, strike out the word "TARIFF" and insert in lieu thereof the words "INTERNATIONAL TRADE".

On page 285, in line 13, strike out the word "Tariff" and insert in lieu thereof the words "International Trade".

On page 285, in line 18, strike out the word "Tariff".

On page 285, in line 20, strike out the word "Tariff".

On page 286, beginning at line 16, strike out the following language:

It is the sense of the Congress that effective international cooperation is necessary to put an end to the illicit production, smuggling, trafficking in, and abuse of dangerous drugs. In order to promote such cooperation, the President shall embargo trade and investment, public and private, with any nation when the President determines that the government of such country has failed to take adequate steps to prevent narcotic drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. sec. 801 et seq.)) produced or processed, in whole or in part, in such country, or transported through such country, from entering the United States unlawfully. Such suspension shall continue until the President determines that the government of such country has taken adequate steps to carry out the purposes of this section.

And insert in lieu thereof the following:

The President shall submit a report to Congress at least once each calendar year listing those foreign countries in which narcotic drugs and other controlled substances (as listed under section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 812)) are produced, processed, or transported for unlawful entry into the United States. Such report shall include a description of the measures such countries are taking to prevent such production, processing, or transport.

SEC. 607. VOLUNTARY LIMITATIONS ON EXPORTS OF STEEL TO THE UNITED STATES.

No person shall be liable for damages, penalties, or other sanctions under the Federal Trade Commission Act (15 U.S.C. 41–77) or the Antitrust Acts (as defined in section 4 of the Federal Trade Commission Act (15 U.S.C. 44)), or under any similar State law, on account of his negotiating, entering into, participating in, or implementing an arrangement providing for the voluntary limitation on exports of steel and steel products to the United States, or anny modification or renewal of such an arrangement, if such arrangement or such modification or renewal—

(1) was undertaken prior to the date of the enactment of this Act at the request of the Secretary of State or his delegate, and

(2) ceases to be effective not later than January 1, 1975.

SEC. 608. UNIFORM STATISTICAL DATA ON IMPORTS, EXPORTS, AND PRODUCTION.

(a) Section 484(e) of the Tariff Act of 1930 (19 U.S.C. 1484(e)) is amended to read as follows:

"(e) STATISTICAL ENUMERATION.—The Secretary of the Treasury, the Secretary of Commerce, and the United States International Trade Commission are authorized and directed to establish from time to time for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary, comprehening all merchandise imported into the United States and exported from the United States, and shall seek in con-

junction with statistical programs for domestic production, to establish the comparability thereof with such enumeration of articles. All import entires and export declarations shall include or have attached thereto an accurate statement specifying, in terms of such detailed enumeration, the kinds and qualities of all merchandise imported and exported and the value of the total quantity of each kind of article.".

(b) The amendment made by subsection (a) insofar as it relates to export declarations shall take effect on January 1, 1976.

SEC. 609. SUBMISSION OF STATISTICAL DATA ON IMPORTS AND EXPORTS.

(a) Section 301 of title 13, United States Code, is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end thereof the following new subsections:

"(b) The Secretary shall submit to the Commitee on Ways and Means of the House of Representatives and the Commitee on Finance of the Senate, on current monthly and cumulative bases, statistics on United States imports for consumption and United States exports by country and by product. Statistics on United States imports shall be submitted in accordance with the Tariff Schedules of the United States Annotated and general statistical headnote 1 thereof, in detail as follows:

"(1) net quantity;

"(2) United States customs value;

"(3) purchase price or its equivalent;

"(4) equivalent of arm's length value;

"(5) aggregate cost from port of exportation to United States port of entry;

"(6) a United States port of entry value comprised of (5) plus (4), if applicable, or if not applicable, (5) plus (3); and

"(7) for transactions where (3) and (4) are equal, the total value of such transactions.

The data for paragraphs (1), (2), (3), (5), and (6) shall be reported separately for nonrelated and related party transactions, and shall also be reported as a total of all transactions.

"(c) In submitting any information under subsection (b) with respect to exports, the Secretary shall state separately from the total value of all exports—

"(1) (A) the value of agricultural commodities exported under the Agricultral Trade Development and Assistance Act of 1954, as amended; and

"(B) the total amount of all export subsidies paid to exporters by the United States under such Act for the exportation of such commodities; and

"(2) the value of goods exported under the Foreign Assistance Act of 1961.

"(d) To assist the Secretary to carry out the provisions of subsections (b) and (c)—

(1) The Secretary of Agriculture shall furnish information to the Secretary concerning the value of agricultural commodies exported under provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, and the total amounts of all export subsidies paid to exporters by the United States under such Act for the exportation of such commodities; and

"(2) the Secretary of State shall furnish information to the Secretary concerning the value of goods exported under the provisions of the Foreign Assistance Act of 1961, as amended."

(b) The amendments made by subsection (a) shall take effect on January 1, 1975.

SEC. 610. GIFTS SENT FROM INSULAR POSSESSIONS.

(a) Section 321(a)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1321(a)(2)(A)) is amended by inserting after "United States" the following: "($20, in the case of articles sent as bona fide gifts from persons in the Virgin Islands, Guam, and American Samoa)".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act.

SEC. 611. REVIEW OF PROTESTS IN IMPORT SURCHARGE CASES.

Notwithstanding the provisions of section 515(a) of the Tariff Act of 1930 (19 U.S.C. 1515(a)), in the case of any protest under section 514 of such Act involving the imposition of an import surcharge in the form of a supplemental duty pursuant to Presidential Proclamation 4074, dated August 17, 1971, the time for review and allowing or denying the protest shall not expire until five years from the date the protest was filed in accordance with such section 514.

SEC. 612. TRADE RELATIONS WITH CANADA.

It is the sense of the Congress that the United States should enter into a trade agreement with Canada which will guarantee continued stability to the economies of the United States and Canada. In order to promote such economic stability, the President may initiate negotiations for a trade agreement with Canada to establish a free trade area covering the United States and Canada. Nothing in this section shall be construed as prior approval of any legislation which may be necessary to implement such a trade agreement.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 443—DESIGNATION OF DR. FLOYD M. RIDDICK AS PARLIAMENTARIAN EMERITUS OF THE U.S. SENATE

Mr. MANSFIELD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution with its preamble, will be stated.

The assistant legislative clerk read as follows:

S. RES. 443

Whereas the Senate has been advised of the retirement of its Parliamentarian, Floyd M. Riddick, at the end of this session: Therefore be it

Resolved, That, effective at the *sine die* adjournment of this session, as a token of the appreciation of the Senate for his long and faithful service, Floyd M. Riddick is hereby designated as Parliamentarian Emeritus of the United States Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ALLLEN. Mr. President, I am delighted that the joint leadership has introduced this resolution naming Dr. Floyd M. Riddick as Parliamentarian Emeritus at the end of the 93d Congress.

Dr. Riddick has performed outstanding service as Parliamentarian of this body. He has acted in a nonpartisan, impartial manner. He has been of great assistance to every Member of the Senate.

I am hopeful that even though he is retiring as Parliamentarian and taking on the honorary title of Parliamentarian Emeritus, he will be available for consultation with Members of the Senate who may wish to confer with him, and I am sure that many Senators will.

I think it is sad that Dr. Riddick is retiring. He wants to travel, study, enjoy more time with his family, and certainly that is understandable.

Mr. President, I hope it will not be amiss if I ask unanimous consent that each Member of the Senate be named as a cosponsor of this resolution. I do make that unanimous-consent request.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ALLEN. I am delighted to yield.

Mr. MANSFIELD. Mr. President, the job of being the Parliamentarian in the U.S. Senate is a difficult and a demanding one. The stresses and strains are much greater than the ordinary citizen would be led to believe.

I am delighted that this signal honor is being given to a man who has served so long and so faithfully, who has tried to be conscientious in his interpretations of the rules, who has tried to be fair to both sides and all sides. While I regret his retirement at the end of the year, I am delighted that the Senate will shortly bestow upon him an unusual honor—the second time this has been done in the history of the Senate—that of Parliamentarian Emeritus.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. HELMS. Mr. President, inasmuch as the distinguished Parliamentarian is a native of my State, I am grateful to the distinguished Senator from Alabama and the distinguished majority leader for the tributes they have paid to him.

I join them in my appreciation to Dr. Riddick for what he has meant during my brief tenure in the Senate. He has been highly instructive; he has always been fair and objective.

I am grateful to the Senator from Alabama and the Senator from Montana for their coments about my fellow North Carolinian.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. JAVITS. Mr. President, I am pleased that I arrived in the Chamber at a moment when we are paying tribute to our Parliamentarian, who is retiring, because I should like to emphasize one thing about him which has been of enormous help to me, and that is his importance as an educational factor.

I came to the Senate knowing the House rules but hardly the Senate rules, and he was enormously helpful and patient in guiding my own views.

When you put a problem to him, he really answers it objectively, and he has no inhibition about the fact that he may have to rule on it and that he might

rule differently. He appreciates the fact that we are all well over 21 and that our job is to look after ourselves, but his job is to be as helpful and instructive as he can to each of us individually.

I respectfully submit that for me—and I think it is true for many of us—he has made us much better Senators than we otherwise would have been without this fountain of knowledge from which we could drink, without any inhibition on his part that he had to worry about what he told us in the light of subsequent rulings.

Mr. ALLEN. I thank the distinguished Senator from New York.

Mr. President, the books that Dr. Riddick has written will serve the Senate in good stead for years to come. His book on Senate procedure, recently published, to complement the work of Dr. Riddick and Dr. Watkins, will be of great use to the Senate for decades to come.

I should like to make this comment with respect to the rulings by the Parliamentarian, which of course are the rulings of the Chair more properly: We need in this body uniform rules to go by, rules that will be the same under the same set of circumstances as the issues presented from time to time. I have served in legislative bodies for a number of years in our State legislature and in the U.S. Senate.

I have never yet voted to overrule the Chair, even though I might disagree with the Chair. I feel that we must have uniformity in our rules. I do not think that the conduct of the Senate's business should be controlled by the whim or caprice of the Membership at a particular time when, due to emotionalism or other reasons, the Senate might want to go in a direction other than the direction that the rules prescribe.

I feel that this is a necessity, that we have an impartial Parliamentarian who will advise the Chair. I am confident that Dr. Riddick's successor, who I feel sure will be Mr. Murray Zweben, who has served under Dr. Riddick for a number of years, will carry on in the same fine tradition as Dr. Riddick.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution, with its preamble, was unanimously agreed to.

GROSS TONNAGE ABOARD CERTAIN VESSELS

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1353.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1353) to deduct from gross tonnage in determining net tonnage those spaces on board vessels used for waste materials, as follows:

Page 1, line 4, strike out "subsection", and insert: "paragraph".

Page 1, line 5, strike out "subsection:", and insert: "paragraph:".

Page 2, line 11, strike out "subsection." ", and insert: "paragraph."."

Page 2, line 14, strike out "subsections", and insert: "paragraphs".

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

COMMUNITY SERVICES ACT OF 1974

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of H.R. 14449, Calendar No. 1225.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs.

The PRESIDING OFFICER. Is there objection to the motion of the Senator from Montana?

The motion was agreed to and the Senate proceeded to consider the bill.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, on behalf of the requisite number of Senators, I offer a cloture motion. It is my intention to ask unanimous consent that the vote on the motion to invoke cloture not occur until Wednesday. Under the rule, without such a consent being granted, the vote on the cloture motion would occur on Tuesday next. However, out of deference to my good friend from North Carolina (Mr. HELMS), who does not want that vote to occur on Tuesday, but prefers that the vote occur on Wednesday or Thursday, I shall ask unanimous consent that the vote not occur until Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 14449, a bill to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs.

Gaylord Nelson, Robert C. Byrd, Mike Mansfield, Gale W. McGee, Stuart Symington, Edward M. Kennedy, John V. Tunney, Thomas F. Eagleton, Charles McC. Mathias, Jr., Jacob K. Javits, Birch Bayh, Howard M. Metzenbaum, Clifford P. Case, Jennings Randolph, Philip A. Hart, Edmund S. Muskie, Adlai E. Stevenson III, Frank Church, Hubert H. Humphrey, and John O. Pastore.

Mr. NELSON. Mr. President, I send to the desk an amendment in the nature of a substitute to H.R. 14449.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes an amendment in the nature of a substitute.

The amendment in the nature of a substitute is as follows:

Strike all after the enacting clause and insert in lieu thereof as a substitute the text of S. 4178 (an original bill reported by the Committee on Labor and Public Welfare) as follows:

That this Act may be cited as the "Headstart, Economic Opportunity, and Community Partnership Act of 1974".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to extend programs under the Economic Opportunity Act of 1964, including Headstart, community action, and community economic development programs; and to provide for increased involvement of State and local governments in antipoverty efforts by authorizing a community partnership program.

HEADSTART AND FOLLOW THROUGH

SEC. 3. (a) Title V of the Economic Opportunity Act of 1964 is amended by striking out the heading thereof and all of such title preceding part B thereof (which is hereby redesignated as part (D) and inserting in lieu thereof the following:

"TITLE V—HEADSTART AND FOLLOW THROUGH PROGRAMS

"PURPOSE OF TITLE

"SEC. 501. In recognition of the role of Project Headstart and Follow Through in the effective delivery of comprehensive health, education, nutritional, social, and other services to economically disadvantaged children and their families, it is the purpose of this title to provide the legislative basis for the administration of the Headstart and Follow Through programs in the Department of Health, Education, and Welfare.

"OFFICE OF CHILD DEVELOPMENT

"SEC. 502. Part A of this title shall be administered by the Office of Child Development in the Department of Health, Education, and Welfare. There shall be established within the Office of Child Development a division of migrant programs and a division of Indian programs, and the sums of $10,000,000 are authorized to be appropriated annually for the administration of each such division.

"PART A—HEADSTART PROGRAMS

"FINANCIAL ASSISTANCE FOR HEADSTART PROGRAMS

"SEC. 511. The Secretary may, upon application by an agency which is eligible for designation as a Headstart agency pursuant to section 514, provide financial assistance to such agency for the planning, conduct, administration, and evaluation of a Headstart program focused primarily upon children

group med. years school completed—7.7; functional illiteracy rate—all farmworkers—17%; among migrants—66%.

Life Expectancy: 41 years.

Health:

Category:	Percent of Norm
Infant mortality	125
Maternal mortality	125
Influenza, pneumonia	200
T.B. and infectious diseases	260

Occupational hazards

Pesticides:	
Deaths per annum	150
Nonfatal poisoning:	
Children	3,000
Adults	400
Per annum total	3,550

Occupational accidents:

Farmworkers make up 7% of work force, but account for 22% of work-related accidents.

Occupational accident rate: 300% of norm.

Legislation

Farmworkers receive:

I. No coverage under: Workmen's compensation, unemployment insurance, temporary disability insurance, industrial safety laws, National Labor Relations Act.

II. Mineral coverage under: social security, Wagner-Peyser housing regulations, child labor laws, minimum wage.

Social programs

Farmworkers receive little or no benefits from: Medicare, medicaid welfare, food stamps, commodities, Federal job training programs, voting regulations, Federal child care programs.

Program strategy

A. Alternatives to Farm Labor: Business enterprises, jobs, education leading to jobs.

B. Mobilizing resources.

C. Farmworker control of programs.

D. Community stability and settling out.

E. In-stream services.

APPENDIX II

A POSITION PAPER SUPPORTING THE ESTABLISHMENT OF A NATIONAL OFFICE FOR MIGRANTS AND SEASONAL FARMWORKERS WITH RESPONSIBILITY FOR THE COORDINATED ADMINISTRATION OF ALL NATIONAL MIGRANT AND SEASONAL FARMWORKER PROGRAMS

Under the present structure of the federal government, the categorical programs presently delivering services to migrant and seasonal farmworkers are diffusely spread throughout several departments and agencies of the federal government (HEW, DOL, OEO, HUD, DOA). This has resulted in the lack of a unifying philosophy, ambiguity in the definition of federal organizational missions and priorities, lack of substantive coordination among its members, outright duplication among programs and jurisdictional rivalry among agencies.

Furthermore, the federal perception of the population-at-risk is as best nebulous, there being as many definitions of "migrants" and "farmworkers" as there are categorical farm worker programs. Definitions have grown from programmatic sources which are based on the travel function, while ignoring the fact that the problems are the same whether the worker is in-stream, in a home-base situation, or attempting to leave the stream. This multiplicity of federal definitions has:

a. made coordination of programs difficult.

b. created non-comparable data bases for each program thus making evaluation of total programmatic impact impossible, and

c. varied the farmworker's eligibility for benefits in a manner which deprives him of services when his need is greatest.

Consequently, the federal expenditure of millions of dollars in farmworker programming in the last several years has not significantly benefitted the target population.

Rationale for a National/Federal Migrant Office:

Already among the most deprived in terms of health, education and social conditions, farmworkers face a constantly expanding crisis of unemployment due to the rapid mechanization of agribusiness. Past experience suggests that state and local governments are either unwilling or unable to meet the needs of farmworkers:

Residency requirements for social programs in some states prohibit their serving this mobil population.

Since farmworkers move through a number of states and regional jurisdictions, responsibility for meeting their needs is commonly shirked by any given area with the consequence that there is no firm focus on non-federal levels.

The documented lack of social opportunity and health and education resources in rural areas makes it difficult for state and local governments to meet the needs of many rural residents. Consequently, migrants and seasonal farmworkers are at the bottom of the list of priorities.

The GAO report, "Impact of Federal Programs to Improve Living Conditions of Migrants and Other Seasonal Farmworkers" is another example.

Based on these concerns, the creation of a National Office for Migrant and Seasonal Farmworkers seems to be the most feasible alterntaive to developing and facilitating a single comprehensive strategy to meet the needs of the migrant and seasonal farmworker through the federal government.

Combining the categorical programs presently delivering services to the migrant and seasonal farmworker under a single administrative office can stress the interrelation of program areas as they affect the individual and family. This will focus on the inter-relationship between these programs in such a way that was not previously possible and will provide increased responsiveness to special concerns in each area. With one national office having the responsibility of federal activities, decisions involving the most effective allocation of resources and deployment of funds will be made at the national level by one single agency. This is in contrast to the present system which attempts to resolve migrant and seasonal farmworkers' problems with a multitude of government agencies and departments (see objective and programmatic functions of the National Office for Migrant and Seasonal Farmworkers).

Rationale for creation of the National Office for Migrant and Seasonal Farmworkers in a Federal department other than the Department of Labor—DOL.

Because of the comprehensive social, educational, and environmental nature of farmworker problems and the incompatibility of most migrant programs with those presently being undertaken by DOL, creation of such an office in a governmental agency other than DOL is recommended.

Migrant programing includes a wide range of activities such as day care, emergency food and medical assistance, health, education, manpower, housing, etc. The DOL's focus is limited in scope, i.e., manpower. Thus, the total migrant and seasonal farmworker program deficiencies could be overcome in an agency other than DOL.

In the formulation of this document, numerous inquiries were made with migrant program staffs, grantees, and migrant and seasonal farmworkers and the result has been this draft.

In summary, the National Office for Migrants and Seasonal Farmworkers will require its own authority, resources, and flexibility. Such development of a single comprehensive strategy might be organized along the following lines:

Creation of this office should be done through Congressional legislation rather than Executive Order or merely the acceptance of a transfer of programs.

Creation of a regional structure under NOMSF for those regions currently having programmatic responsibility for migrants.

Delegation of current migrant and seasonal farmworker administrative and programmatic responsibility presently in other departments and agencies to NOMSF.

Designation of NOMSF migrant task force to begin working out the process and mechanism for the implementation of such strategy.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. McCLURE. Would it be the Senator's intention to have the amendment adopted at this time, and if so, would it be in order to ask that it be treated as original text for purposes of further amendment?

Mr. JAVITS. I yield to the chairman on that. I think we would be perfectly willing.

Mr. NELSON. We have no objection to that on this side.

Mr. McCLURE. Mr. President, I ask unanimous consent that the amendment in the nature of a substitute be treated as original text for purposes of amendment.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment in the nature of a substitute is agreed to, and will be considered as original text for the purpose of further amendment.

TRADE REFORM ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent now that the Senate return to the consideration of the trade bill, H.R. 10710.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

H.R. 10710, a bill to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the consideration of the bill? Without objection, the Senate will proceed to its immediate consideration.

The Senate continued with the consideration of H.R. 10710.

ORDER FOR EXTENSION OF TIME TO FILE CONFERENCE REPORT ON H.R. 14214

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to file for printing until midnight tonight the conference report on H.R. 14214.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

perience in Vietnam: 55,000 dead and 303,000 wounded men must certainly mean something to us. I respectfully submit that the United States cannot go on attempting to be a policeman for the world. And most certainly in my opinion, the construction of this operating base in the Indian Ocean is only a further effort by the Department of Defense to play the role of policeman in the Indian Ocean and to actively involve our military forces in the politics of an area that now wants to be left at peace.

Yet in the face of all the nations in the littoral area requesting that we not build up Diego Garcia as a naval base, there are those individuals in high places that contend we should go ahead in our own national interest with the building of this naval base. I ask the question—what really are our vital interests in the Indian Ocean besides gunboat diplomacy and "showing the flag"? Our presence in the Indian Ocean had no effect on the oil situation during the Yom Kippur war in October 1973; in fact, our naval vessels were completely cut off from Arab oil and the United States could do nothing about the Arab action.

In closing, there are a few points that I wish to make that I think have a direct bearing in my opinion upon whether or not Diego Garcia funding should be approved to build a naval base on Diego Garcia. In allowing this naval base to be built, I think Senators should be aware that they are actually voting for a three-ocean Navy. It is my contention that this base on Diego Garcia could cost hundreds of millions of dollars. We already have an admission from the Navy of a cost of $173 million. Oh yes, the Navy will contend that the base will only cost $35 million but they are not telling the American people of the cost for salaries of the Seabees that are building the base, nor are they advising the Congress of the complete costs for the communications equipment and other machinery that will go into the making of this base.

I submit that all of the information I have in hand shows that the aircraft carrier is now obsolete with the technical advancement of the new cruise missiles and I might say, by way of explanation, that in the Mediterranean Sea, the Soviets always know exactly where our carriers are.

I state that for just this one time cannot the U.S. Government wait and really find out what the intentions of the Soviet Union are in regard to the Indian Ocean. All the reports I have indicate that the Soviet Union's naval activity is of a low order.

In summary, I would like to say that it appears to me that our Department of Defense is advocating a three-ocean Navy to station sailors 10,500 miles from home and putting obsolete carriers in the Indian Ocean, which are vulnerable and practically defenseless against new weaponry.

Are we building a naval base, a new Wake Island, that is completely, in time of crisis, indefensible?

Mr. President, in closing I am reminded of a very important incident that occurred on the floor of the Senate. Some years back when the defense appropriation bill was on the floor and the Senate was considering appropriating money for the Navy for naval landing craft—FDL's—the late great chairman of the Senate Appropriations Committee, Senator Richard Brevard Russell, said and I quote:

> If we make it easy for the Navy to go places and to do things, we will find ourselves always going places and doing things.

I remind the Senate in approving the building of a naval base on Diego Garcia that we will be making it easy for the United States to go to the Indian Ocean and more than likely that we will do things.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 17505—ORDER FOR BILL TO BE HELD AT DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 17505, to rescind certain budget authority recommended in messages of the President, which has been passed in the House, I believe, and is now at the desk, be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF THE TRADE REFORM ACT OF 1974 (H.R. 10710)

Mr. ROBERT C. BYRD. Mr. President, it will be necessary, during the remaining days of this session, for the Senate to operate on a multiple-track system.

The unfinished business until disposed of will be H.R. 10710, the trade reform bill.

Having discussed this request with the distinguished majority leader, the distinguished minority leader, and the distinguished assistant minority leader, and also with the distinguished Senator from Alabama, who is in the Chamber, I ask unanimous consent that on each day until the trade bill is disposed of, with the exception of Monday, for which an order has already been entered, that the trade bill become the order of business at no later than 1 o'clock p.m. unless, in the discretion of the assistant majority leader, after consultation with the minority leader or his designee, the assistant majority leader then acts to take the trade bill up earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This will allow the Senate to transact other business up until 1 o'clock every day. The call for regular order cannot displace pending business prior to 1 o'clock. At 1 o'clock the trade bill would automatically come up.

Under the rules, it would be called up at any time after the morning hour by a call for the regular order. This would allow the assistant majority leader who, in the absence of the majority leader, will be working in an attempt to move the legislative process along, after consultation with the leadership on the other side, to set aside pending business before the hour of 1 o'clock, if necessary, on any day, and proceed immediately to the trade bill.

Do I have a correct understanding of what I have requested?

The PRESIDING OFFICER. That is the understanding of the Chair.

ORDER FOR CONSIDERATION OF ATOMIC ENERGY AUTHORIZATION BILL (S. 4033)

Mr. ROBERT C. BYRD. Now, Mr. President, I am going to propound a unanimous-consent request which I have not cleared with anyone.

There is an agreement on the Atomic Energy authorization bill I do not know what our situation will be on Monday next after the debate on Mr. Rockefeller's nomination has played out.

There is no question but that under the rules, once Senators have stopped discussing the Rockefeller nomination, if they do so prior to the expiration of 5 hours of debate on Monday, the trade bill would automatically be brought up by a call for the regular order. Or at least it could be brought up. Am I correct?

The PRESIDING OFFICER. After we go into the legislative session, that is correct.

Mr. ROBERT C. BYRD. That is the reason why I said a call for the regular order. A call for the regular order in executive session would not bring up the trade bill.

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that after the debate on the Rockefeller nomination on Monday next, if such debate does not consume 5 hours on Monday, it may be in order for the assistant leader to return to legislative session, and that it be in order at that time to call up either the Atomic Energy authorization bill or the trade bill, and that if the Atomic En-

(2) "in the case of any individual other than an individual whose disability is blindness (as defined in section 216(1)(1)), the month in which he attains age 65"; and

(3) by striking out the second sentence.

(g) Section 223(c)(1) of such Act is amended to read as follows:

"(1) An individual shall be insured for disability insurance benefits in any month if—

"(A) he would have been a fully insured individual (as defined in section 214) had he attained age 62 and filed application for benefits under section 202(a) on the first day of such month, and (i) he had not less than 20 quarters of coverage during the 40-quarter period which ends with the quarter in which such month occurred, or (ii) if such month ends before the quarter in which he attains (or would attain) age 31, not less than one-half (and not less than 6) of the quarters during the period ending with the quarter in which such month occurred and beginning after he attained the age of 21 were quarters of coverage, or (if the number of quarters in such period is less than 12) not less than 6 of the quarters in the 12-quarter period ending with such quarter were quarters of coverage, or

"(B) he is blind (within the meaning of 'blindness' as defined in section 216(1)(1)) and has not less than 6 quarters of coverage in the period which ends with the quarter in which such month occurs.

For purposes of clauses (i) and (ii) of subparagraph (A) of this paragraph, when the number of quarters in any period is an odd number, such number shall be reduced by one, and a quarter shall not be counted as part of any period if any part of such quarter was included in a period of disability unless such quarter was a quarter of coverage."

(h) Section 223(d)(1)(B) of such Act is amended to read as follows:

"(B) blindness (as defined in section 216(1)(1))."

(i) The second sentence of section 223(d)(4) of such Act is amended by inserting "(other than an individual whose disability is blindness, as defined in section 216(1)(1))" immediately after "individual".

SEC. 8. In the case of an insured individual who is under a disability as defined in section 223(d)(1)(B) of the Social Security Act, who is entitled to monthly insurance benefits under section 202(a) or 223 of such Act for a month after the month in which this Act is enacted, and who applies for a recomputation of his disability insurance benefit or for a disability insurance benefit (if he is entitled under such section 202(a)) in or after the month this Act is enacted, the Secretary shall, notwithstanding the provisions of section 215(f)(1) of such Act, make a recomputation of such benefit if such recomputation results in a higher primary insurance amount.

SEC. 9. The amendments made by this Act shall apply only with respect to monthly benefits under title II of the Social Security Act for and after the second month following the month in which this Act is enacted.

EMERGENCY MARINE FISHERIES PROTECTION ACT OF 1974—S. 1988

AMENDMENT NO. 2021

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill (S. 1988) to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes.

TRADE REFORM ACT OF 1974—H.R. 10710

AMENDMENT NO. 2022

(Ordered to be printed and to lie on the table.)

Mr. HELMS. Mr. President, it has often been said that we are a nation of immigrants. Throughout most of our history, we have opened our doors to the peoples of the world and welcomed them to our shores. The world in turn has looked upon the United States as a sanctuary of freedom and opportunity.

In recent times, the encouragement of emigration from totalitarian regimes has been a fundamental goal of American foreign policy. We assisted the refugees of war-torn Europe after the Second World War, many of whom came to the United States. We played an important role in the establishment of Israel as a sovereign state for the displaced Jews of Europe. After the Hungarian Revolution of 1956, we even went so far as to make exceptions to our immigration laws in order to accommodate the thousands of courageous Hungarian freedom fighters who fled the Soviet tanks and bullets of Budapest. When Cuba succumbed to communism in the early 1960's, the United States, under the leadership of the late President Kennedy, brought thousands of Cubans to our land and assisted them in starting a new life.

Today there are millions more who are held against their will in the captive nations of this world, and many of them have close relatives here in the United States. The problem of reuniting these families is both perplexing and disheartening. But our spirits have recently been lifted by the prospect that under the proposed Trade Reform Act, we might be abla to take advantage of the situation by exchanging our advanced technology, our trade, and our credits for a more liberal emigration policy in the Communist countries.

As my colleagues will recall, title IV of the Trade Reform Act authorizes the President to enter into bilateral commercial agreements to provide credit or most-favored-nation treatment to countries that are presently denied these trade benefits. Title IV also provides, however, that products exported from any nonmarket economy country are not eligible for credits or MFN treatment, and the President may not make any bilateral agreements with any such country, if that country, according to the President, denies its citizens the right or opportunity to emigrate, imposes more than a nominal tax on emigration or visas, or imposes more than a nominal tax, levy, or fine on a citizen as a consequence of his desire to emigrate to the country of his choice. These restrictions on credit extension and MFN treatment are known as the Jackson-Vanik amendment, which is now embodied in section 402 of the act. In its report of November 26, 1974, the Senate Finance Committee summed up the provisions of section 402 of the Trade Reform Act as follows:

It is the Committee's understanding that the "Freedom of Emigration" amendment in the bill is intended to encourage free emigration of all peoples from all Communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country).

The Trade Reform Act and the Jackson-Vanik amendment present a unique opportunity for the United States to use its great commercial strength as leverage against the repressive immigration policies of totalitarian countries. But we now confront the possibility that this opportunity will be lost. On December 2, Senator JACKSON proposed amendment 2000 to the Trade Reform Act, which gives the President temporary authority to waive section 402 for 18 months after he has received assurances that the emigration practices of that country will promote the objectives of section 402. Amendment 2000, in other words, seeks to nullify the restrictions on credit extension and MFN treatment in section 402 in those instances where the President has received assurances that obstacles in the way of emigration would be removed.

This newly proposed modification of the Jackson-Vanik amendment, Mr. President, is based on the belief that the Soviet Union has offered us assurances of a new emigration policy. Since April 1974, Secretary of State Henry Kissinger has been seeking a clarification of Soviet emigration policies through conversations with Soviet officials. These clarifications have been conveyed to Senators JACKSON, JAVITS, and RIBICOFF, eventually giving rise to an exchange of correspondence which Senator JACKSON published on October 18. All of these communications and discussions created the initial impression that the President and Secretary Kissinger have already received solid assurances from Soviet leaders that free emigration will be allowed, and that we may now embrace amendment 2000 with safety.

As a result of Secretary Kissinger's candid testimony before the Senate Finance Committee on December 3, 1974, however, it is now clear that we must reexamine title IV of the Trade Reform Act and its accompanying amendments. The understanding that now emerges is wholly contrary to that which was presented to us earlier. In response to probing questions by members of the Senate Finance Committee, Secretary Kissinger has given us a clearer, if not a new, picture of the negotiations that have taken place between American and Soviet officials regarding the issue of immigration. Now we are told that no real agreement has been reached between American and Soviet officials after all. In his statement to the committee, Secretary Kissinger frankly admitted that he would not give "any assurances concerning the precise emigration rate that may result, assuming that the trade bill is passed and MFN is extended to the U.S.S.R."

This important revelation was underscored by Senator HARTKE when he asked the Secretary to explain his letter to Senator JACKSON on page 204 of the committee report, wherein the Secretary stated—and these are the Secretary's words—that "we have been assured" that certain criteria and practices will henceforth govern emigration from the

Soviet Union. "Who," asked Senator HARTKE, "is 'we'?" "'We have been assured' by whom?" In reply, Secretary Kissinger acknowledged the fact that "the Soviet leaders have not made an assurance, have not made a commitment to the Government of the United States." To be sure, Secretary Kissinger agreed with Senator HARTKE's observation that these so-called assurances are nothing more than "descriptions of Soviet domestic practice," and are not "commitments by the Soviet Government to the U.S. Government."

What is more, the testimony of Secretary Kissinger indicates that the administration is not even pursuing the general objective of section 402. Conceding the fact that section 402 applies to all citizens of all Communist countries, except Poland and Yugoslavia, which already have MFN status, Secretary Kissinger nevertheless emphasized the fact that there is nothing in the exchange of correspondence between Senator JACKSON and Secretary Kissinger which relates to immigration policies of a country such as Hungary. The total thrust of these negotiations between American and Soviet officials has been directed toward the problem of Jewish emigration from the Soviet Union, and not toward the emigration of all citizens from all Communist countries. In the words of Secretary Kissinger, "What we are attempting to achieve (is) increased Jewish emigration." The Secretary again stressed this point in his reply to Senator BYRD's expression of concern about the "freer emigration of all peoples, not just the Jews, but Ukranians, Armenians, Germans, Estonians, Latvians, Lithuanians, and other Soviet nationalities, and Volta Germans, in return for U.S. trade concessions." The Kissinger-Jackson agreement, said the Secretary, does "not specifically refer to those of the Jewish faith, but I think it is a reasonable extrapolation from the record that this was the predominant concern. There is no specific reference I believe to Jewish emigration but I think in the legislative history of this matter one would have to say that this has not been the primary focus of the conservations."

This testimony of Secretary Kissinger thus shows beyond all reasonable doubt, Mr. President, that we even lack assurances that Jewish emigration will be increased in the Soviet Union, let alone emigration of all other citizens of Communist countries. At best, Secretary Kissinger has offered us, as an article of faith, a vague hope that if we grant trade concessions to the Soviet Union, that the Soviet Union might be willing to increase Jewish emigration.

As the situation now exists, the prospects for increased emigration of all citizens and nationalities from Communist countries under the Trade Reform Act are at best dim. For reasons that are not explained by Secretary Kissinger, the administration has ignored the clear intent of section 402 and has narrowed its efforts to the problem of Jewish emigration from the Soviet Union. No understanding has been gained with regard to the emigration of all Soviet citizens. Nor has any understanding been sought or gained with any Eastern European country, or with any other Communist country, for that matter, regarding the emigration of its citizens. We seem to have turned our backs on the thousands of individuals who wish to gain their freedom and escape their Communist captors. In particular, we have closed the door on those citizens of Communist countries who wish to be reunited with their families here in the United States.

The terrible and far-reaching consequence of this oversight in the Trade Reform Act negotiations are dramatically illustrated in the case of Szabolcs Julius Mesterhazy, an American citizen who appeared before the Senate Committee on Finance on April 5 and presented a courageous and stirring statement, as Senator LONG rightly described it in his letter to Secretary Kissinger, concerning Mr. Mesterhazy's efforts to be reunited with his son, who is currently living in Hungary. Mr. Mesterhazy escaped with his family from Hungary in 1956, but was unable to bring his 12-year-old son. Since that time, the Government of Hungary has refused to permit the son to emigrate from Hungary, so that he might join his family here in Michigan. The Trade Reform Act, as interpreted by the administration, takes no acount of a tragic situation such as this—and we can be sure that there are countless other cases similar to this one.

Indeed, it was Mr. Mesterhazy himself who brought the need for this amendment to my attention. His own case and that of his son graphically illustrate the human concerns that lie behind this measure. His dedication and devotion to this cause led him, as a plain citizen, to come to Washington unaided, without any vast lobby, without resources other than his own sincerity and pertinacity to convince the Senate of the United States to help not just himself, but the relatives of oppressed people everywhere to make the American dream come true. This is really a citizen's amendment; it is not my amendment. It rises above ideological concerns and differing philosophies to unite all men of good will who abhor discrimination and oppression.

In my view, Mr. President, we would be aiding and abetting the cause of injustice and tyranny if we failed to take our stand and draft the Trade Reform Act in such a way as to extend as far as possible the hope of freedom. We have apparently made some progress toward encouraging Jewish emigration from the Soviet Union. But we are beholden to our tradition of individual freedom, to our moral conscience, and to our very own people to extend the reach of this important legislation to all citizens of Communist countries. We can do no less.

To this end, I, together with the Senator from South Carolina (Mr. THURMOND), now submit an amendment to the Trade Reform Act which assures our continued dedication to the goal of fundamental human rights and the welfare of our citizens, as contained in section 402. Specifically, this amendment provides under paragraph 1, subsection a, that no country shall receive U.S. credits, credit guarantees, or investment guarantees, that denies its citizens the right or opportunity to visit, or to join permanently through emigration, a very close relative in the United States, such as a spouse, parent, child, brother or sister. This paragraph provides further that the President of the United States shall not conclude any commercial agreement with any such country.

Paragraph 2 provides that such credits and commercial benefits shall also be denied to any country that imposes more than a nominal tax on the visas or other documents required for a visit or emigration described in the first paragraph. And paragraph 3 provides that such credits and commercial benefits shall also be denied to any country that imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of his desire to make a visit or to emigrate as described in the first paragraph. Although this amendment will not assist every individual in a Communist country to emigrate, it will at least help those who have close relatives in the United States. Moreover, it will require their freedom to emigrate, no matter where they live on our globe. In this respect, the amendment goes beyond the Jackson-Vanik amendment, which excluded Yugoslavia and Poland because they already enjoy most-favored-nation status. Thus it closes a loophole in the Trade Reform Act which allows these two countries to restrict the emigration of its citizens while at the same time receiving American credits and trade benefits.

Subsection b of the amendment provides that after the date of enactment of the Trade Reform Act, a nonmarket economy country may participate in any program of the U.S. Government which extends credits or credit guarantees or investment guarantees; that the President may conclude a commercial agreement with such a country after he has submitted to Congress a report indicating that such country is not in violation of paragraph 1, 2, or 3 of subsection a. This report shall include information as to the nature and implementation of its laws and policies and restrictions or discrimination applied to or against persons wishing to visit close relatives in the United States or to emigrate to the United States to join them. Also, the report required by this subsection shall be submitted initially, with current information, on or before June 30 and December 31 thereafter, so long as such credits or guarantees are extended or such agreement is in effect.

At this point, Mr. President, I ask unanimous consent that my amendment be printed in entirety at the conclusion of my remarks in the RECORD.

There being no objection, the amendment was ordered to be printed as follows:

AMENDMENT No. 2022

On page 264, after line 18, insert the following:

SEC. 409. FREEDOM TO VISIT, AND TO EMIGRATE TO JOIN, A VERY CLOSE RELATIVE IN THE UNITED STATES

(a) To assure the continued dedication of the United States to the fundamental human rights and welfare of its own citizens, and notwithstanding any other provision of law,

on or after the date of the enactment of this Act, no nonmarket economy country shall participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

(1) denies its citizens the right or opportunity to visit, or to join permanently through emigration, a very close relative in the United States, such as a spouse, parent, child, brother or sister;

(2) imposes more than a nominal tax on the visas or other documents required for a visit or emigration described in paragraph (1); or

(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to make a visit or to emigrate as described in paragraph (1).

and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2) or (3).

(b) After the date of the enactment of this Act, (A) a nonmarket economy country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (B) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2) or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of its laws and polices and restrictions or discrimination applied to or against persons wishing to visit close relatives in the United States or to emigrate to the United States to join them. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter, so long as such credits or guarantees are extended or such agreement is in effect.

On page 261, lines 2 and 6, strike out "402 (b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 262, line 24, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409 (b)".

On page 263, line 17, after the period insert the following: "Clause (A) shall not apply with respect to a report submitted under section 409(b)."

On page 90, line 17, strike out " '402(b)' or '403(b)' " and insert " '402(b)', '403(b)', or '409(b)' ".

AMENDMENT NOS. 2014 TO 2019

Mr. HARTKE. Mr. President, I ask unanimous consent that amendments numbered 2014, 2015, 2016, 2017, 2018, and 2019, in connection with the trade bill, which I sent to the desk yesterday, which have been printed, be considered as having been read to meet the requirements of rule XXII should cloture be invoked, or in connection with H.R. 10710, the trade bill.

Mr. President, I ask unanimous consent, also, that those amendments be printed in the RECORD at this point.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2014

On page 292, line 14, insert "(a)" before "It".

On page 292, after line 22, insert the following:

"(b)(1) The Automotive Products Trade Act of 1965 (other than title IV) is repealed.

"(2) Effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after the 90th day after the date of enactment of this Act any modification of the Tariff Schedules of the United States proclaimed by the President, under the authority granted by section 201 of such Act shall cease to apply.

"(3) Title IV of such Act is repealed as of the 90th day after the date of enactment of this Act.".

AMENDMENT No. 2015

SEC. 612. SENSE OF THE CONGRESS WITH RESPECT TO TRADE WITH CANADA.

It is the sense of the Congress that the United States should enter into a trade agreement with Canada which will guarantee continued stability to the economies of the United States and Canada. In order to promote such economic stability, the President may initiate negotiations for a trade agreement with Canada to establish a free trade area covering the United States and Canada. Nothing in this section shall be construed as prior approval of any legislation which may be necessary to implement such a trade agreement.

SEC. 613. FOREIGN SOURCE OIL AND GAS.

(a) Section 263(c) of the Internal Revenue Code of 1954 (relating to intangible drilling and development costs in the case of oil and gas wells) is amended by adding at the end thereof the following new sentence: "Such regulations shall not apply to intangible drilling and development costs incurred in connection with oil and gas wells located outside of the United States.".

(b) Section 613 of such Code (relating to percentage depletion) is amended by—

(1) inserting after "gas wells" where it appears in subsection (b)(1)(A) the following: "located within the United States", and

(2) adding at the end thereof the following new subsection:

"(e) SECTION NOT TO APPLY TO FOREIGN OIL AND GAS WELLS.—The provisions of this section do not apply with respect to any oil or gas well which is not located within the United States.".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1974.

AMENDMENT No. 2016

SEC. . FOREIGN SOURCE OIL AND GAS.

(a) Section 263(c) of the Internal Revenue Code of 1954 (relating to intangible drilling and development costs in the case of oil and gas wells) is amended by adding at the end thereof the following new sentence: "Such regulations shall not apply to intangible drilling and development costs incurred in connection with oil and gas wells located outside of the United States.".

(b) Section 613 of such Code (relating to percentage depletion) is amended by—

(1) inserting after "gas wells" where it appears in subsection (b)(1)(A) the following: "located within the United States", and

(2) adding at the end thereof the following new subsection:

"(e) SECTION NOT TO APPLY TO FOREIGN OIL AND GAS WELLS.—The provisions of this section do not apply with respect to any oil or gas well which is not located within the United States.".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1974.

AMENDMENT No. 2017

SEC. 612. SENSE OF THE CONGRESS WITH RESPECT TO TRADE WITH CANADA.

It is the sense of the Congress that the United States should enter into a trade agreement with Canada which will guarantee continued stability to the economies of the United States and Canada. In order to promote such economic stability, the President may initiate negotiations for a trade agreement with Canada to establish a free trade area covering the United States and Canada. Nothing in this section shall be construed as prior approval of any legislation which may be necessary to implement such a trade agreement.

SEC. 613. ELIMINATION OF FOREIGN TAX CREDIT FOR TAXES PAID IN CONNECTION WITH FOREIGN OIL RELATED INCOME; SPECIAL RATE OF TAX FOR SUCH INCOME.

(a) ELIMINATION OF TAX CREDIT.—Section 901(e) of the Internal Revenue Code of 1954 (relating to foreign taxes on mineral income) is amended by adding at the end thereof the following:

"(3) TERMINATION OF CREDIT FOR FOREIGN TAXES ON OIL-RELATED INCOME.—

"(A) In the case of a corporation, no credit is allowed under this subpart for income, war profits, or excess profits taxes paid or accrued during the taxable year to any foreign country or possession of the United States with respect to foreign oil-related income from sources within such country or possession.

"(B) FOREIGN OIL-RELATED INCOME.—The term 'foreign oil-related income' means the taxable income derived from sources outside the United States and its possessions from—

"(i) the extraction (by the taxpayer or any other person) of minerals from oil or gas wells,

"(ii) the processing of such minerals into their primary products,

"(iii) the transportation of such minerals or primary products,

"(iv) the distribution or sale of such minerals or primary products, or

"(v) the sale or exchange of assets used in the trade or business described in clause (i), (ii), (iii), or (iv).

"(C) DIVIDENDS, PARTNERSHIP DISTRIBUTIONS, ETC.—The term 'foreign oil-related income' includes—

"(i) dividends from a foreign corporation in respect of which taxes are deemed paid by the taxpayer under section 902,

"(ii) amounts with respect to which taxes are deemed paid under section 960(a), and

"(iii) the taxpayer's distributive share of the income of partnerships,

to the extent such dividends, amounts, or distributive share is attributable to foreign oil-related income.

"(D) CERTAIN LOSSES.—If for any foreign country for any taxable year the taxpayer would have a net operating loss if only items from sources within such country (including deductions properly apportioned or allocated thereto) which relate to the extraction of minerals from oil or gas wells were taken into account, such items shall be taken into account in computing foreign oil-related income for such year.

"(E) DISREGARD OF CERTAIN POSTED PRICES, ETC.—For purposes of this chapter, in determining the amount of taxable income in the case of foreign oil and gas extraction income, if the oil or gas is disposed of, or is acquired other than from the government of a foreign country, at a posted price (or other pricing arrangement) which differs from the fair market value for such oil or gas, such fair market value shall be used in lieu of such posted price (or other pricing arrangement). For purposes of this subparagraph, the term 'foreign oil and gas extraction income' means foreign oil-related income described in subparagraph (B)(i) and income derived from sources without the United States and its possessions from the sale or exchange of assets used in connection with the foreign oil-related income described in subparagraph (B)(i).".

(b) TAXATION OF FOREIGN OIL-RELATED INCOME.—

(1) Section 11(e) of such Code (relating to exceptions from tax imposed on corporations) is amended to read as follows:

"(e) EXCEPTIONS.—

"(1) FOREIGN OIL-RELATED INCOME.—Subsection (a) does not apply to foreign oil-related income (as defined by section 901(e)(3)(B)).

"(2) CERTAIN CORPORATIONS.—Subsection (a) does not apply to a corporation subject to a tax imposed by—

"(A) section 594 (relating to mutual savings banks conducting life insurance business),

"(B) subchapter L (section 801 and following, relating to insurance companies), or

"(C) subchapter M (section 851 and following, relating to regulated investment companies and real estate investment trusts).".

(2) Part II of subchapter A of chapter 1 of such Code (relating to tax on corporations) is amended by redesignating section 12 as 13, and by inserting after section 11 the following new section:

"SEC. 12. FOREIGN OIL-RELATED INCOME.

"(a) IN GENERAL.—There is imposed for each taxable year a tax of 24 percent on the taxable income of every corporation which is foreign oil related income (as defined in section 904(e)(3)(B)).

"(b) EXCEPTION.—Subsection (a) does not apply to any corporation described in section 11(e)(2).

"(c) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section, including, but not limited to, regulations providing that deductions, credits, and other computations properly allocable to computing foreign oil related income are properly allocated in computing such income.".

(3) The table of sections for such part is amended by striking out the item relating to section 12 and inserting in lieu thereof the following:

"Sec. 12. Foreign oil related income.
"Sec. 13. Cross references relating to tax on corporations.".

(c) The amendments made by this section apply to taxable years beginning after the date of enactment of this Act.

AMENDMENT NO. 2018

SEC. . ELIMINATION OF FOREIGN TAX CREDIT FOR TAXES PAID IN CONNECTION WITH FOREIGN OIL RELATED INCOME; SPECIAL RATE OF TAX FOR SUCH INCOME

(a) ELIMINATION OF TAX CREDIT.—Section 901(e) of the Internal Revenue Code of 1954 (relating to foreign taxes on mineral income) is amended by adding at the end thereof the following:

"(3) TERMINATION OF CREDIT FOR FOREIGN TAXES ON OIL-RELATED INCOME.—

"(A) In the case of a corporation, no credit is allowed under this subpart for income, war profits, or excess profits taxes paid or accrued during the taxable year to any foreign country or possession of the United States with respect to foreign oil-related income from sources within such country or possession.

"(B) FOREIGN OIL RELATED INCOME.—The term 'foreign oil related income' means the taxable income derived from sources outside the United States and its possessions from—

"(i) the extraction (by the taxpayer or any other person) of minerals from oil or gas wells,

"(ii) the processing of such minerals into their primary products,

"(iii) the transportation of such minerals or primary products,

"(iv) the distribution or sale of such minerals or primary products, or

"(c) the sale or exchange of assets used in the trade or business described in clause (i), (ii), (iii), or (iv).

"(C) DIVIDENDS, PARTNERSHIP DISTRIBUTIONS, ETC.—The term 'foreign oil related income' includes—

"(i) dividends from a foreign corporation in respect of which taxes are deemed paid by the taxpayer under section 902,

"(ii) amounts with respect to which taxes are deemed paid under section 960(a), and

"(iii) the taxpayer's distributive share of the income of partnerships,

to the extent such dividends, amounts, or distributive share is attributable to foreign oil related income.

"(D) CERTAIN LOSSES.—If for any foreign country for any taxable year the taxpayer would have a net operating loss if only items from sources within such country (including deductions properly apportioned or allocated thereto) which relate to the extraction of minerals from oil or gas wells were taken into account, such items shall be taken into account in computing foreign oil related income for such year.

"(E) DISREGARD OF CERTAIN POSTED PRICES, ETC.—For purposes of this chapter, in determining the amount of taxable income in the case of foreign oil and gas extraction income, if the oil or gas is disposed of, or is acquired other than from the government of a foreign country, at a posted price (or other pricing arrangement) which differs from the fair market value for such oil or gas, such fair market value shall be used in lieu of such posted price (or other pricing arrangement). For purposes of this subparagraph, the term 'foreign oil and gas extraction income' means foreign oil related income described in subparagraph (B)(i) and income derived from sources without the United States and its possessions from the sale or exchange of assets used in connection with the foreign oil related income described in subparagraph (B)(i).".

(b) TAXATION OF FOREIGN OIL RELATED INCOME.—

(1) Section 11(e) of such Code (relating to exceptions from tax imposed on corporations) is amended to read as follows:

"(e) EXCEPTIONS.—

"(1) FOREIGN OIL RELATED INCOME.—Subsection (a) does not apply to foreign oil related income (as defined by section 901(e)(3)(B)).

"(2) CERTAIN CORPORATIONS.—Subsection (a) does not apply to a corporation subject to a tax imposed by—

"(A) section 594 (relating to mutual savings banks conducting life insurance business),

"(B) subchapter L (section 801 and following, relating to insurance companies), or

"(C) subchapter M (section 851 and following, relating to regulated investment companies and real estate investment trusts).".

(2) Part II of subchapter A of chapter 1 of such Code (relating to tax on corporations) is amended by redesignating section 12 as 13, and by inserting after section 11 the following new section:

"SEC. 12. FOREIGN OIL-RELATED INCOME.

"(a) IN GENERAL.—There is imposed for each taxable year a tax of 24 percent on the taxable income of every corporation which is foreign oil related income (as defined in section 904(e)(3)(B)).

"(b) EXCEPTION.—Subsection (a) does not apply to any corporation described in section 11(e)(2).

"(c) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section, including, but not limited to, regulations providing that deductions, credits, and other computations properly allocable to computing foreign oil related income are properly allocated in computing such income.".

(3) The table of sections for such part is amended by striking out the item relating to section 12 and inserting in lieu thereof the following:

"Sec. 12. Foreign oil related income.
"Sec. 13. Cross references relating to tax on corporations.".

(c) The amendments made by this section apply to taxable years beginning after the date of enactment of this Act.

AMENDMENT NO. 2019

On page 292, line 14, insert "(a)" before "It".

On page 292, after line 22, insert the following:

"(b) (1) The Automotive Products Trade Act of 1965 (other than title IV) is repealed.

"(2) Effective with rsepect to articles entered, or withdrawn from warehouse, for consumption on or after the 90th day after the date of enactment of this Act any modification of the Tariff Schedules of the United States proclaimed by the President under the authority granted by section 201 or such Act shall cease to apply.

"(3) Title IV of such Act is repealed as of the 90th day after the date of enactment of this Act.".

AMENDMENT OF THE SOLID WASTE DISPOSAL ACT—S. 3549

AMENDMENT NO. 2023

(Ordered to be printed and referred to the Committee on Public Works.)

Mr. NELSON. Mr. President, on behalf of myself and Senator HART, I submit an amendment to the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970.

On August 19, 1974, Senator HART and I introduced a virtually identical measure in the form of an amendment to a bill which was being considered by his Environment Subcommittee. It was Amendment No. 1814 to S. 1104. Since then, the hearings on the amendment have been held and it has received considerable support.

This amendment addresses itself to those highly urgent situations where a potential threat to public health exists. The point of the measure is to require, in certain kinds of lawsuits, that the party responsible for creating the potential threat must come forward and prove either that the risk of harm is negligible, or that there are considerations which outweigh the threat to public health.

The amendment is very specific and applies only in certain court proceedings:

First, its application is restricted to proceedings brought under one of the statutes administered by the Administrator of the Environmental Protection Agency.

Second, it is triggered only when a party is seeking equitable relief—for example, an injunction—but not monetary damages.

Third, the course of conduct must involve a kind of "discharging or emitting," and those words are defined in the amendment, or "manufacturing."

Fourth, the potential risk created must be real, it cannot be a negligible risk or only a theoretical possibility.

Fifth, the potential health hazard

doorsman are of a high order. This is important because the Attorney General has a great deal to say about which laws are enforced and how vigorously they are enforced. All cops and prosecutors will tell you that all laws are enforced with equal fervor, but anyone who has ever learned enough to cross the street by himself knows this is a lot of baloney. Antipollution laws and laws written in an attempt to save what little is left of our wetlands are two notable examples of laws that sometimes get sketchy enforcement. Saxbe is especially browned off by the destruction of the wetlands, as any sensible scattergun man would be. Last summer he shook up a lot of greedy s.o.b.'s when he told them, in characteristically straightforward fashion, that laws to protect the wetlands were going to be enforced. If they are, of course, it means a great many rapacious entrepreneurs of jerry-built condominiums are going to have to quit draining irreplaceable wetlands for their construction sites.

Saxbe spoke with good sense last summer in a speech to the Conference on the Protection of the Gulf Coast Wetlands at Tarpon Springs, Florida—a speech largely ignored by the daily blatts that have sat on their hands while the very land under our feet has been pillaged.

I assume that anyone with the wit to read this far into a piece as high-minded as this one knows why the wetlands are important—vitally important—to the ecology chain. When the last of the wetlands are paved over for apartment houses and retirement rookeries for lard-bottomed former stockbrokers and their blue-haired consorts, we can kiss goodby all of the waterfowl that grace this continent, and probably ultimately all of the fish as well. Wetlands are nature's nursery. When they go, so does everything else. It is that serious—and Attorney General Saxbe knows it.

As A. G., Saxbe told the conference, he has a "special opportunity" to help enforce the laws "designed to protect important but fragile links in the ecology."

"From my perspective, preservation of the wetlands will not be an easy task. Serious inroads already have been made. And if present trends continue, the wetlands will have been gravely diminished a decade from now. If we do nothing, we face the very real prospect that at some point they may practically vanish except for modest park areas.

"Whether they are saved to become a perpetual resource depends in large measure on us and our counterparts throughout the nation. A great deal depends on how effectively we inform all segments of the public and business community about the nature of the present crisis while enlisting their responsible support."

Saxbe spelled out what a few lone voices (notable among which, I am proud to say, has been Field & Stream for some seventy-nine years) have been saying.

"What is in jeopardy is not merely the scenic view of ocean frontage or lakeshore—as important as they are.

"The wetlands represent far more. They are in irreplaceable resource. And, in turn, they are part of a threatened environment in which some detect dangers not only to our way of life but to the very existence of life."

Memorize those paragraphs and yell them into the ear of the next money-grabber who tells you the economy of the nation can't survive without such greedy affronts to civilization as strip mining, or poisonous insecticides, or that monstrously evil Cross-Florida Barge Canal, or any one of a thousand other acts of rape by people who are willing to condemn future generations to death for the sake of a few lousy dollars.

Saxbe has been around enough to know he is up against tough opposition.

"No single segment of society will be able to preserve the wetlands by itself, no more than a lone segment can solve other environmental perils.

"The issues are of such magnitude that they require a joint effort—by government at all levels, by industry and landowners, and by the general public."

Now here is another paragraph to commit to memory:

"If we fail to save the wetlands, we will be losing more than an economic and aesthetic asset that can never be recreated. The loss may also signal an impending and crushing defeat in the larger effort to maintain an environment that civilized man can inhabit."

Saxbe made it plain he was not going to content himself with preaching a few pieties and then sitting down.

"My purpose is not to find fault. There is enough of that to go around and last all of us a long time. My point is that we simply have to do a better job—and I stress that I am most particularly talking about the Department of Justice doing a better job."

That was the stinger; the notice to the people Saxbe scorns as "twentieth century buccaneers" that the Federal government no longer will be a patsy and willing partner to the pillagers.

"The law requires the Army Corps of Engineers to approve any project to alter wetlands, to dredge or fill them, or to build anything on them. It falls to the Department of Justice to represent the Government in the event a court suit stems from the Corps' refusal to grant a permit for wetlands work. We also have the responsibility to bring criminal or civil actions when such work is done without a permit—and this is much too prevalent."

Two years ago, Saxbe said, there were only twenty-one cases relating to wetlands violations in the Justice Department. Last summer there were 151 cases in progress, fifty criminal and 101 civil.

The Justice Department, bleakly warned the Attorney General, "has become much more aware of its responsibilities."

"Our Land and Natural Resources Division [has] decided to make wetlands and related cases a top priority. I fully support that decision."

Saxbe made it plain he was throwing all his considerable energy into the fight.

"I am determined that all of the needed resources will be available for the Department of Justice to move swiftly and resolutely in the courts in wetlands cases. Since the bulk of this litigation falls upon the United States Attorneys, I am requesting that they give a major priority to litigation involving wetlands in every part of the country."

Where Saxbe was speaking, to be sure, is one of the world's most grisly wetlands disaster areas. Perhaps no place on earth has been despoiled with the malignant rapacity that has marked the exploitation of the Gulf Coast. The rich ecological broth that stretches from the Mexican border to the Florida Keys has been raped in a manner that must make the Creator Himself weep. Such rotten excrescences as the Houston ship channel are commonplace the length of the whole Gulf littoral. And the effrontery of the "developers"—and seldom has a word ever been so perverted—is almost past belief.

In Oregon, for example, a developer changed the course of a river without obtaining permission from the Corps of Engineers, the Environmental Protection Agency, or any other branch of government. Fortunately, the Department of Justice took this creep to court, and won its case.

In Georgia, another court ordered a freebooting real-estate developer to completely restore a salt marsh area he'd illegally filled. Another such suit is pending in Maryland. In North Carolina the Justice Department is keeping close track of another developer who has bought a large tract of wetlands. He didn't buy it to nurture waterfowl, that's certain, and Saxbe's people are keeping a sharp eye on him. Whatever is done with that particular parcel is going to be done legally.

Saxbe is a rational man, and maybe too easygoing to be a cop. Sitting in his office and talking fishing ("I think I am a pretty good fly fisherman," he told me), it is easy to see how he keeps harping on obtaining the voluntary cooperation of the enormously powerful forces that are out to eat the whole world right out from under our feet.

"We know that additional pressure for development will continue," he observed. "This is particularly true as the nation seeks new sites for power plants, for resorts, and for farming and livestock operations.

"Nuclear power plants are an important factor in the nation's future growth. But they should be located carefully to avoid damage to wetlands and marine resources."

Or, as he put it to the wetlands conference, "the clock is tolling."

"There is no time for recriminations. There is only time to try to work together to develop sensible programs that rest on twin foundations of sensible, planned growth and real conservation."

Saxbe is a gun collector of some note—"I suppose I own altogether forty guns"—and it pains him when so many cheap-shot editorialists make gun control the current most popular panacea for crime.

"I try to be practicable about it," he told me. "If I thought there was an effective way that we could have gun control, especially on handguns, I'd support it. My reluctance to support it is based on the inability to control it.

And also on my realization, since I've been in this job, that we've had one gimmick after another that's supposed to control crime. I take the attitude there're no more rabbits in the hat; and I think that gun control is one of the rabbits they keep pulling out of the hat and saying, "Well, this would stop crime."

"Three years ago everybody said if we could control heroin we could stop crime. That didn't work either. And then we had a great influx of money—by getting enough hardware into the police departments we could stop crime. That didn't work either."

The best way to control wrongdoing, Saxbe is firmly convinced, is not to take his trapguns away from him—and mine away from me—but to punish the wrongdoer: "Catch them and put them in jail," in his words.

In a capital city where much of the currency of public disclosure is canting, dissembling, and downright lying, it is refreshing to share an hour with the likes of the Attorney General. He understands what the realities are. He is one of us, not one of them. It is good to have Saxbe for the defense.

TRADE REFORM ACT OF 1974

Mr. HUGH SCOTT. Mr. President, an editorial in yesterday's Philadelphia Inquirer makes an excellent point in favor of speedy and positive action by this body on the trade bill—namely, passage will mean many more jobs for Americans. In this time of high unemployment, this alone is reason enough to support this legislation. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRADE REFORM ACT MEANS MORE JOBS FOR AMERICANS

Most of the public controversy over the Trade Reform Act has centered on the ques-

tion of whether to grant most-favored-nation status to the Soviet Union. That question in turn has hinged on the Soviet Union's willingness to grant Soviet citizens who wish to emigrate, mainly but not exclusively Jewish, the right to do so.

The latter is a question of human rights, and it has been settled, not perfectly but about as well as it can be for the time being.

In an unusual exchange of letters made public in October, at the White House and with White House blessing, by Sen. Henry Jackson of Washington, Secretary of State Henry Kissinger made known Soviet assurances that emigration would increase and harassment of would-be emigrants would end.

So far as we know, the Kremlin leaders have not put anything in writing, and it remains to be seen whether they will deliver. In any case, it is now time for the U.S. Senate to deliver on the Trade Reform Act, one version of which has been passed by the House and another of which is pending for consideration on the Senate floor.

The bill, in both versions, would grant the President necessary authority to negotiate new trade arrangements in the so-called "Tokyo Round" of multilateral negotiations.

It would enable him to negotiate substantial cuts in tariffs and, equally if not more important, cuts in or elimination of non-tariff barriers, such as quotas, subsidies and tax preferences.

It would provide more relief, with less red tape, for industries and workers demonstrably injured by imports, and it would give the President power to retaliate against unfair trade practices of other nations.

The removal or at least displacment of the one obstacle, the question of Soviet emigration, brings others into the open. One is being erected by organized labor, led by the AFL-CIO. A decade ago, the AFL-CIO played a vital role in preparations for the successful "Kennedy Round" of international trade negotiations. Now it professes to believe that the gains from the "Tokyo Round" will go to the giant multilateral corporations, with the pains being borne by American workers.

This is a shortsighted view. Expanded world trade means more jobs and higher incomes, at home and abroad. As President Ford declared to supporters of the bill Tuesday evening, "We must be under no illusion that we can go it alone. . . . The health of our domestic economy and the strength, the very structure, of our international relations are involved."

Another obstacle is threatened by senators who want to make a Christmas tree of the bill, dolling it up with such non-germane amendments as the controversial measure to deregulate natural gas.

To do so, President Ford warns, would be "inexcusable," and we agree. It would almost certainly doom the Trade Reform Act for this year and thus call into question America's commitment to expanding world trade, which itself is vital to solving America's own economic problems of stagflation. The Trade Reform Act should be considered on its own merits, and it should be passed.

CHARLES B. LUNN AND WENDELL B. THOMAS—DEDICATED VETERANS' ADMINISTRATION EMPLOYEES

Mr. HARTKE. Mr. President, last Sunday, on its approach to Dulles International Airport, a TWA jetliner crashed, killing all 92 persons aboard.

The airplane had originated in Indianapolis, with an intermediate stop in Columbus, Ohio. A number of people from my home State lost their lives and I want to express my deepest sympathy to all of the families.

I am particularly mindful, Mr. President, that among the victims of this disaster were two longtime employees of the Veterans' Administration: Charles E. Lunn and Wendell B. Thomas.

Mr. Lunn was the administrator of the Veterans' Administration Hospital at Marion, Ind., and Mr. Thomas was the hospital's chief financial officer.

Mr. Lunn assumed his post at Marion in January of this year, after serving as director of the VA hospital in Amarillo, Tex. Prior to that, Mr. Lunn had served the Veterans' Administration in many capacities throughout a 29-year career that began after his naval service in World War II.

Mr. Thomas had served with the Veterans' Administration for 25 years.

As chairman of the Senate Committee on Veterans' Affairs, I am keenly aware that the best of legislative intentions are left unfulfilled without the dedication and compassion of men such as Mr. Lunn and Mr. Thomas.

I know that the people of Indiana, and especially my fellow Hoosier veterans, will miss them both.

While this loss is painful for all of us who came to know and respect Mr. Lunn and Mr. Thomas for their professional dedication, it is, of course, a most poignant loss for the families involved. I want to express my special sympathy to their widows, Laura Lunn and Norma Thomas.

PRISON REFORM

Mr. BROCK. Mr. President, I recently received a letter from Prof. Karl P. Warden of Vanderbilt University School of Law in Nashville, Tenn. Mr. Warden has a genuine concern about our Nation's corrections system and has devoted considerable time at Vanderbilt to penal reform.

Under Mr. Warden's direction, Vanderbilt is developing a graduate level program to prepare attorneys to assume staff positions within penal institutions. As yet, no comparable program exists at any law school in the United States. The interdisciplinary-course of study will be drawn from various departments within thee university, and academics will be supported by clinical experience.

Our corrections system desperately needs to be reformed and improved, and the efforts of Professor Warden and Vanderbilt Law School promise to do just that. I ask unanimous consent that a summary of this program be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROGRAM FOR LAWYERS IN CORRECTIONS ADMINISTRATION

Only in recent years has the general legal community become cognizant of the problems that confront the correctional systems of the United States. Vanderbilt University School of Law believes that the legal community has a direct responsibility to become actively and creatively involved in the solution of these problems.

To meet this responsibility, Vanderbilt is presently developing a program in criminal justice designed to train lawyers specifically in penology and corrections administration. Essentially, the program will be aimed at the three principal needs which must be met if the corrections systems are to be successful. First, persons with legal expertise have to be prepared for and encouraged to accept staff positions with corrections departments throughout the nation. Secondly, research and data analysis, from a legal viewpoint, must be carried on in order to define rights and improve services. Finally, the legal profession must cooperate with and contribute to local, regional, and national planning groups attempting to modify existing correctional regulations and policies.

Vanderbilt University School of Law intends to implement these concepts by establishing an interdisciplinary course of study which will include, in addition to the regular law school curriculum, instruction in areas such as criminology, prison law, sociology, the role of the psychiatrist in corrections, penal administration, and community correctional services. Non-law courses will be taught by faculty members from other departments at Vanderbilt or from other schools in the University Center. This classroom work will be supplemented by clinical and internship experience within prisons and corrections departments.

Supporting this academic curriculum will be comprehensive research, information collection, and comparative corrections analysis. Because very little study of corrections from a legal perspective has been done before, a complete library and data gathering center devoted solely to corrections will be basic to this research objective. The ultimate goal will be a thorough analysis of the interdisciplinary problems relating to corrections which have been previously ignored. Vanderbilt Law School's excellent transnational legal studies program will assist in the examination of foreign corrections methods and structures.

The final intention of the project will be to join with administrators and other interested parties in working to improve the sound delivery of correctional services. A cornerstone in this effort will be demonstrating to prison policy makers that lawyers trained in corrections will be a beneficial addition to their staffs. Vanderbilt will solicit the advice, assistance, and consultation of corrections officials in the establishment and maintenance of the program.

An advisory committee consisting of members of the Vanderbilt community, certain state corrections officers, and a number of nationally recognized experts in penology will oversee the operations of the program. Professor Karl Warden, a Vanderbilt Law School faculty member with extensive experience in corrections, will be the program director. The cost of establishing the program is large, and Vanderbilt Law School is presently seeking funds from many private and public sources.

No comparable program exists at a law school in the United States. The results of this educational effort will be to provide the nation's correctional systems with available, properly-trained attorneys to assist them in resolving the urgent legal and social problems they confront.

THE STATE OF THE NATION'S ECONOMY

Mr. McCLELLAN. Mr. President, I recently received a letter from Mr. Benjamin F. Feldman, of New York City, which I would like to share with the Members of this body. Mr. Feldman is an economist and former vice president of Kuhn, Loeb & Co., and I believe his

become increasingly evident since their adoption for optional use as a new dimension in the grading system in 1965. For example, carcasses within the Choice grade can and do vary in value as much as $75 due to differences in yield of trimmed retail cuts. Yield grade identification on all graded carcasses is considered essential for reflecting full and appropriate price differences in trading. This proposal may have the greatest long-range effect of any of the revisions under consideration. The use of yield grades can provide a further incentive for increasing the production of so-called "meat-type" cattle, or those that have the genetic ability to combine high cutability and high-quality lean with a minimum of excess fat. The estimated cost of producing, shipping, and trimming of excess fat on beef is more than $2 billion annually. Increased emphasis on yield grades could substantially reduce the excess fat on beef carcasses and increase the edible proportion—to the mutual advantage of the consumer and the involved segments of the producing and processing industries.

The third major revision proposed relates to the marbling-maturity requirements of the quality grades. For beef from cattle under about 30 months of age, the minimum amount of marbling required in each grade—except Good—would be set at the level now required for the youngest carcasses that qualify as beef in the respective grades. The present standards are based on the premise that marbling enhances eating quality of beef, while increasing age has the opposite effect. Therefore, the present standards require increasing amounts of marbling with increasing evidences of maturity in the carcass. While the research results are less definitive than would be desirable, the preponderance of research reported in recent years has indicated that changes in maturity within this young cattle category do not have a significant effect upon eating quality. Consequently, the minimum marbling requirements presently prescribed for the youngest cattle in each of the grades of Prime, Choice, and Standard will apply throughout the "A" maturity or young cattle category. For the more mature beef in each of these grades, the principle of requiring increased marbling with increasing maturity is being retained. The net result of this change will be to provide for slightly leaner beef in both the Prime, Choice, and Standard grades, and a resultant slight reduction in the amount of fat trim required. The feeding time to achieve Prime or Choice grades will be reduced, which—with other conditions remaining the same—would tend to encourage a greater production of these grades than at present.

The other major aspects of the proposal would make the Good grades more restrictive than at present by reducing the range of quality by one-third. The present Good grade has been criticized by many as a nonworkable grade because of its variability. In the past few years, it has been evident that changes in the kinds of cattle being produced—larger and slower maturing cattle—would likely result in an increasing supply of Good grade beef. During the past several months, the volume of beef of this quality has increased very substantially. The increased production of this type of beef may be a long-range change. The intent of the proposal is to provide a very consistent quality—but restrictive—grade that should appeal to consumers who prefer beef with somewhat less internal and surface fat than now found in the Choice grade.

In summary, I have attempted to give you a factual presentation of the major changes involved in the proposal. I have not discussed minor changes or the impact of the proposal upon day-to-day grading operations. The USDA proposal may not fully satisfy any segment of the industry or the consuming public when viewed from a single vantage point. But it represents a package approach which we believe is in the long-term best interests of all concerned. While this proposal represents our best efforts to make the grade standards more precise and useful, it is only a proposal. The public has been provided an opportunity to comment on the proposal throughout a 90-day period which ends on December 10. Comments to date, as you would expect, have been both for and against the proposal. It should be recognized that in evaluating the comments, we are not conducting a simple popularity poll. We will be particularly interested in constructive comments or suggestions that give supporting reasons for either adoption, rejection, or modification of the proposal. Hopefully, any proposal for change that may be adopted will give primary consideration to a more accurate identification of beef.

THE TRADE BILL

Mr. PERCY. Mr. President, I have stood on the floor of this House numerous times during this session of Congress and testified to my support for the 1973 trade reform bill. I am an unabashed, longstanding supporter of open trade and this body knows of my opinions.

I did so when an industrialist in a business highly but wrongly protected by tariffs, and I do so now as a Senator from a State, like many States in the United States, whose prosperity is dependent on the continued flow of international trade. Illinois is the second largest exporter among the 50 States and it is estimated that more than 300,000 jobs in my State are dependent on foreign trade. More than 6 percent of the industrial production of the State is exported and 25 percent of the agricultural production. For example, the biggest private employer in the State is Caterpillar Tractor. Over 24,000 of the 61,300 U.S. employees now depend on continued export sales for their jobs. Furthermore, the balance of payment contribution of Caterpillar in 1973 was in excess of $1 billion. Therefore, this bill is critical to me, critical to my constituents and critical to the economic welfare of the United States.

But we also must be able to appreciate how other nations may view our vote on the trade bill. The idea of another round of trade negotiations was a U.S. initiative. In 1971, as a critical part of the negotiations on new international exchange rates, the United States insisted that trade negotiations must be an integral part of the monetary settlement. It was reasoned by U.S. negotiators that the demand for currency is generated by the flow of commerce, and to have floating exchange rates that reflect market conditions it was necessary to have an open trade market. Tariff and nontariff barriers inhibited commerce and therefore could be used to manipulate exchange rates. If these trade barriers were not reduced, what was gained at the negotiation table could be lost in the customs houses of the world.

In response to this U.S. position, both Japan and Europe, especially the Common Market, overcame numerous political barriers and committed themselves to trade talks as part of the Smithsonian Agreement in December 1971. The first trade talks began in Tokyo in October 1974. The only country present which did not have a mandate to negotiate was the United States. Congress had accepted and passed on the results of the Smithsonian negotiations but for 2 years has been debating the merits of a new round of trade negotations. The country which initiated the effort for trade negotiations and has the most to benefit from open trade in the future has yet to politically commit itself.

It is this political commitment that other nations are watching closely. The United States exports only 5 to 6 percent of is gross national product—GNP—and it is not as heavily dependent on trade as other nations. Germany, the second largest producer in the free world, exports 20 percent of its gross national product and Japan, the third largest producer, exports 10 percent of its GNP. The growth of the economies of most of the world's industrial nations and all of the developing nations rests on the expansion of world trade. They are all watching the United States closely.

This is especially true in today's nervous economic world. The worldwide inflation and the fourfold rise in world oil prices has shaken the confidence of many people and many nations. There are numerous less-developed countries and a number of industrialized nations which face the grim specter of international bankruptcy. Their position is not strengthened by the recession which is now slowly tightening its grasp on industrial output in the United States, Europe, and Japan.

In recessions, with growing internal unemployment, there is a very natural political tendency to play the short run, to believe that imports deprive Americans of jobs and to move for isolationist trade policies. What is well known is that other countries will not tolerate their imports being banned while still buying exports from the banning nation. Not only does it not make political sense, but in terms of economics other countries need the dollars generated by their own exports to buy our exports. A Senate vote against the trade bill will be interpreted overseas as an isolationist vote. This bodes evil for U.S. exports and U.S. jobs. We now have unemployment at 6.5 percent. We do not need more.

I will not deny that increased trade does displace jobs in certain industries whose products can be produced more cheaply overseas. Because of my concern over this issue I have testified before the Senate Finance Committee to liberalize the application of and to strengthen the trade adjustment assistance programs. On the other hand, the American consumer benefits from products with cheaper prices because they are anti-inflationary.

As the largest economy in the free world, we benefit from the growth in the world economy and the growth in world trade as long as we hold our market shares. The figures indicate that our market shares since the revaluations in 1971 and 1973 have expanded. If the United States were not paying so much for oil, we would actually have a balance-of-trade surplus of $8 to $9 billion.

I therefore strongly advocate the passage of this bill. I plead with my colleagues on this floor not to introduce amendments that are not germane to the is-

ance anywhere else. The potential for political use and bureaucratic abuse in a program of this nature, is, to say the least, evident. And the risk involved of loaning any amount of money to a family whose income is so low that it cannot qualify for other Federal loan program is great. Section 212.

Nineteenth. Not only does the act deal with HEW and Labor Department approaches to the war on poverty, but also in sections 302, 304, and 307, it extends the war to the Small Business Administration, where the Administrator is authorized to give 15-year, $50,000 loans to among others, small businesses whose sole criterion for obtaining such a loan is the fact that it is owned by low-income individuals; or is in an area with a high proportion of unemployed or low-income individuals. Furthermore, the Administrator of SBA is empowered and directed to help insure that small businesses so funded are given preferential help in obtaining lucrative Government contracts.

Twentieth. The Director is empowered to set up as many demonstration projects as he feels are necessary, to hire as many advisory committees—at $138 per person per day—as he feels he needs, and to use research and development projects as he sees fit. Recently fired OEO Director Alvin Arnett said in testimony before the House Subcommittee on Equal Opportunities that he envisioned the poverty program as a prod to assure poverty focus in other Federal programs; and further, that he saw R. & D. work of CAA as essential to the advocacy role of the Federal poverty program. It is this advocacy role that I have objected to already in this testimony.

In conclusion, Mr. President, I see little which can improve this legislation, because its basic concept is awry, and is prejudicial to the best interests of the poor. If any of the individual community service projects are doing an outstanding job, and are thoroughly integrated into the local political structure and local decisionmaking, then those programs should continue. But if they are doing such a good job for the community, then the community should support those programs.

What I recommend therefore, is an orderly transfer to support by local resources. The only legislation which this body should consider passing, in my view, is legislation authorizing a transition of programs now offered under the Economic Opportunity Act of 1964, as amended, to those state and local governmental entities which express a desire to sustain and fund such programs on a local basis.

The amendment which I offer today will allow time for communities to select the local programs which they feel are good programs, and integrate them into local finances. The marginal programs should be dropped. With the economy in its present condition, and the continuing fiscal crisis of the Federal budget, this is no time to go into a program which will cost more than a billion dollars a year. We ought to be cutting down, not increasing spending. And the best judges of the local projects are those who are in closest proximity. A transition program will allow for the orderly transfer of the best programs.

Mr. President, I reserve the remainder of my time. I suggest the absence of a quorum, and I ask unanimous consent that the time be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I yield myself such time as I may require.

Mr. President, I wish to say for the record that I intend to ask for a rollcall vote on my amendment. I realize that there are not enough Senators on the floor at the moment to get a sufficient second, but I would ask the leadership to safeguard my desire that there be a rollcall vote, and I shall ask for the yeas and nays at an appropriate time.

Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it it so ordered.

TRADE REFORM ACT OF 1974

AMENDMENT NO 2027

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk an amendment to H.R. 10710, an act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, generally known as the trade reform bill. I shall read the amendment into the RECORD, and ask that it be printed. It reads as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . LIMITATION ON CREDIT TO RUSSIA.

After the date of enactment of the Trade Reform Act of 1974, the Export-Import Bank of the United States shall not approve any loans, guarantees, insurance, or any combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $30,000,000, without prior Congressional approval.

I ask unanimous consent that the amendment be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that in the event that cloture should be invoked on the trade bill, this amendment be considered to meet the reading requirement of rule XXII.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. NELSON, I yield myself 1 minute on the bill.

TRADE REFORM ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, under rule XXII, the Standing Rules of the Senate, once cloture has been invoked on a measure or matter, no dilatory motions, no dilatory amendments, no amendment must remain—no dilatory motion, no dilatory amendment, or no amendment will be in order, unless it has been presented and read prior to that time. Furthermore, no amendment not germane will be in order.

I have no objection to Senators asking unanimous consent that amendments be presented and considered as having been read so as to meet the requirements of the rule in that respect, but I shall object to any request that any amendment to any bill be considered as having met the germaneness requirement in the event cloture is invoked.

I would hope that Senators who are on the floor, and that the Chair, or whoever may be sitting in the Chair, may be advised by the Parliamentarian that if I am not on the floor, I want somebody to object, if it has to be the Chair in his capacity as a Senator to object, to the waiver of the germaneness requirement under rule XXII.

Mr. GRIFFIN. Will the Senator yield for a brief statement to indicate my complete agreement.

Mr. ROBERT C. BYRD. Mr. President, I yield myself 1 minute additionally.

Mr. GRIFFIN. I merely wish to indicate my complete agreement, and I know I speak for the minority leader. We will certainly be diligent on this side to see that that viewpoint and that understanding is complied with.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. LONG. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. LONG. Mr. President, I regret very much that we will find it necessary to file a cloture petition the same day we bring up the trade bill.

This is something that I would never do except right at the very end of a session where it is now or never.

Now, this bill has been worked out by the admiinstration and by the best minds that this Nation could generate on trade and business matters and intergovernmental relations and it is a product of 3 years of hard work.

The House worked on this bill diligently as a priority matter for a year and the Senate committee has worked on this bill almost as long itself.

I am rather proud of the work that the Senate committee has done. I think

the Senators will approve it when they read it.

I do not know of any bill in the trade area where power is delegated that reserves more power in the Congress to disagree in the event we do not agree with what the President has done as our representative. But although this bill mustered for a unanimous vote of the commitee, and although I gather on final passage it must promote a vote of at least 80 percent of this body, this bill cannot become law if we insist on adding amendments—which I very much approve of.

In other words, if we add an amendment on increasing profits the oil companies are making overseas, if we add to this bill amendments that would deregulate the new gas discovered hereafter, if we add amendments that would implement what the Senate has already voted to do in the area of the cargo preference bill, or such as wanted to add to the consumer protection area, various and sundry other measures have been considered and could muster a majority vote but not necessarily to shut off debate, then the bill simply has no chance.

Senators know, and I know because I have done it myself, that this late in a Congress, the defense has all the advantages.

Just one or two Senators can prevail, with full right of debate. In fact, I think we have at least one or two in this body right here. I could nominate two I am looking at who have the capacity——

Mr. HUMPHREY. Who is the Senator looking at?

Mr. LONG. Have the capacity to talk from now until the Congress goes home and——

Mr. GRIFFIN. That was three.

Mr. LONG. In fact, it has been suggested I should nominate three or four more who are here at this moment.

Therefore, Mr. President, knowing how it can be done this late in a Congress, I am convinced we will not be able to pass this bill if we add to it all the amendments I would like to see added to this bill, or all the amendments that a majority of the Senate would like to see added to the bill.

As chairman of the Committee on Finance, I want to assure all Senators that on any measure within our jurisdiction insofar as I can I will cooperate and try to help the Senator bring his measure to a vote and obtain the judgment of the Senate and seek to get the House to go along with it.

We do have some House-passed revenue bills that we could call up for that purpose, if the Senate will let us do that.

But it is obvious that any amendment which would generate such lengthy debate that it would prevent the amendment from being added to any bill would do the same thing to this bill. Prolonged debate would see that the bill does not come to a vote. Some Senators are sufficiently candid with me to indicate that they really do not care whether the bill passes or not. They would just as soon see it fail. Therefore, they think it is far more important that they offer their amendment and if the bill goes down the drain, so much the better. They will come back and fight the whole matter again next year.

But if we do not pass this bill in this Congress, Mr. President, a great number of nations in this world will be badly disappointed. The credibility of this Nation is now at stake. We have been talking about trade negotiations with our friends around the world for 2 years. If we do not eventually get some authority to negotiate with those people about trade matters, the entire world is going to be very sadly disappointed in the United States by building up their hopes that they would try to work out good rules of fair trade and mutually beneficial exchanges of goods and services.

I simply have no doubt that we will be sorry we did not pass the bill.

I also fear—I do not fear, but I know for a certainty—that this Congress will be condemned if it fails to pass this bill.

Mr. STENNIS. Will the Senator yield a half minute for a friendly question?

Mr. LONG. Yes.

Mr. STENNIS. I am told by some of my colleagues that we do not need this bill; that we have not had one since 1966, I believe, and we are using the Export-Import Bank bill instead and serving the same purpose. What is the Senator's answer to that, briefly? I do not want to take too much time.

Mr. LONG. The Senator is not correct. There are a hundred things in this bill which deals with trade negotiations. Let us take one example.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERT C. BYRD. Will the Senator yield some time from Mr. HELMS' allotment on the bill?

Mr. HELMS. On the bill, yes.

Mr. LONG. Will the Senator yield 5 minutes?

Mr. HELMS. Yes.

Mr. LONG. To take one example, our balance of payments are in very bad shape. Our balance of trade is in bad shape. Unfortunately, the way the books are kept, if they made a small profit, what they really did was to lose $5.5 billion. That is something we tried to straighten out in this bill.

To save this Nation's fiscal and monetary position in the world, it might be necessary to do what President Nixon and Secretary Connally did when they declared a surtax on imports coming into the United States.

The courts held that they did not have the power to do that, though we all agree that they should have the power. So the bill says if the President finds it necessary to protect the fiscal and monetary position of this Government, our balance of payments and our balance of trade, he can declare up to a 15-percent across-the-board surcharge on all commodities coming into the United States, or he has additional power, which he does not have now: he can pinpoint any particular nation.

If it is Japan, Germany, or Canada which is not cooperating with us, instead of putting a surtax on all commodities from all nations, he can say, "All right, on all imports from that nation, a 15-percent surtax."

That power is needed. I am positive that the Senate would want to vote for it. The President would have the power to protect the solvency of this Nation, to protect our balance of payments, and our liquidity. But he does not now have it.

That is one example that is involved in this bill.

In addition to that, he does not now have tariff-cutting powers, but it is in the bill.

In many cases we have given people all sorts of advantages and they have not done what they were supposed to do. Unfortunately, the way the law stands now the President has no power to react to that, to say, "You broke your word, you victimized us, you are trying to crucify this country" so to speak "in our trade relations, so you will not get the advantages you have been getting."

As it stand, he does not have that power, but he will have it in the bill. In other words, to negotiate with Uncle Sam, on somebody who has been giving Uncle Sam the raw deal, you will have to raise the tariffs and start working from there. This bill gives him that authority.

On page after page one sees the authority the President needs to negotiate tariff reductions, to make arrangements with foreign powers, and also to protect this Nation's interest.

In many respects, the bill could be called a protectionist measure, while in many respects it could be called a free trade measure. It gives the President the power to move either way.

This bill, more than any bill that has ever been passed by the Congress, puts the ultimate power right here in the Congress. All of these trade agreements have to come back to the Senate and the House of Representaives and be agreed to affirmatively by both the House and the Senate, by a majority vote.

So this trade bill will protect the powers of the Congress. It will protect the constitutional prerogative of the Congress to be the final judge in trade matters more than any trade measure that has been presented to this body, or passed by the body, since the turn of the century.

Mr. HUMPHREY. Will the Senator yield?

Mr. LONG. I yield.

Mr. HUMPHREY. In other words, if an agreement were negotiated which the working people of this country felt was detrimental to their interest—the trade unions, for example—before that agreement can become effective it has to have an affirmative action vote on the part of the two Houses of Congress?

Mr. LONG. The Senator is exactly correct. It must be voted affirmatively in the Senate and also in the House of Representatives.

We have a procedure to expedite it. There is a sort of cloture arrangement so after a certain number of hours we will vote.

Mr. HUMPHREY. Yes, but the ultimate decision still rests with the elected representatives of the people?

Mr. LONG. That is correct.

Mr. HUMPHREY. Let us say the International Union of Electrical Workers, which feels very strongly about the flood of imports from low-cost labor countries

abroad, imports which come in here to try to take the jobs of American workers, if they could build a good case that that was the fact, then the House of Representatives and the Senate would be able to hear that evidence and make a decision one way or the other, is that correct?

Mr. LONG. That is correct. It requires that there be a majority vote in both the Senate and the House of Representatives. We have the right to say yes or no. We do not have the right to say maybe.

The PRESIDING OFFICER (Mr. HASKELL). The Senator's time has expired.

Mr. BENNETT. Mr. President, I would like about 2 minutes.

Mr. HELMS. I yield 2 minutes to the Senator on the bill.

Mr. BENNETT. I thank my friend.

As the ranking minority member of the Finance Committee, I wanted to make the record very clear that I completely support the position taken by the chairman of the Finance Committee. I hope the Senate will realize the importance of this trade bill and the vital necessity of getting it passed in this session. We do not want to spend another 2 years going back over all the steps that have been so painfully covered during these last 2 years.

I hope that the Senate will agree with the leadership and with the chairman of the committee, who I think worked out an effective way of getting this bill handled.

I would like to add my assurance that if we get the trade bill handled, there are bills that have been reported by the Finance Committee, or can be reported, so that tax proposals can have consideration, at least by this body, before the end of the session.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENNETT. Yes.

Mr. LONG. The Senator and I have informally agreed that if we can get a cloture agreed we would be happy to ask unanimous consent for any Senator to have the time required to explain his amendment. The real purpose of the cloture petition is to invoke the germaneness rule.

Mr. BENNETT. That is the understanding of the Senator from Utah. I agree with the Chairman.

Mr. President, I yield back whatever time I have remaining.

Mr. HELMS. Mr. President, I yield such time on the bill as the distinguished Senator from Virginia may need.

AMENDMENT NO. 2026

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk an amendment to H.R. 10710, the Trade Reform Act, and ask unanimous consent that it meet the reading requirements in the event that cloture is invoked. I also ask unanimous consent that it be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be received and printed, and will lie on the table.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . LIMITATION ON CREDIT TO RUSSIA

After the date of enactment of the Trade Reform Act of 1974, no agency of the Government of the United States shall approve any loans, guarantees, insurance, or any combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300,000,000 without prior congressional approval.

COMMUNITY SERVICES ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I suggest the absence of a quorum, with the time to be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, will the Senator yield me some time?

Mr. HELMS. Mr. President, I yield such time on the bill as the Senator may desire.

Mr. JAVITS. I thank the Senator.

Mr. President, this amendment would overturn the whole thrust of the bill as reported to the floor by the Committee on Labor and Public Welfare and, therefore, the entire commitment to deal with poverty. The amendment simply swallows the program alive, wiping out Federal support for OEO, community action agencies and programs and other vital efforts under the act.

There are still at least 24 million Americans in the poverty syndrome and many more in near poverty. While our bill would permit change through reorganization procedures this amendment would go at the program with a meat ax.

So the scheme of the committees legislation—which this amendment would eliminate — provides that beginning July 1, 1975, the administration may, on a reorganization plan basis, propose to transfer community action into HEW with safeguards, but giving Congress the opportunity, under the reorganization technique, by one House's action, to turn down that idea; in which case, a separate antipoverty administration would continue for the 3 years of this bill.

This will have to be reconciled with the House approach, which is more nearly the idea of transferring it promptly into HEW, although it has certain safeguards, even there.

We believe that in view of the fact that there has been a very firmly held position by the Senate in respect of the antipoverty program, we should approach conference with this strong bill and seek to maintain our position. For all of those reasons, Mr. President, I believe that the amendment should be defeated, and I hope that it will be defeated.

Mr. President, may I ask the condition of the time on this particular amendment, when we are ready to vote?

The PRESIDING OFFICER. On the amendment, there are 3 minutes left to each side.

Mr. THURMOND. Mr. President, I am pleased to be a cosponsor of this amendment along with the distinguished Senator from North Carolina (Mr. HELMS).

This amendment would phase out the Office of Economic Opportunity at the end of fiscal year 1976. The present level of funding for OEO will be continued for fiscal year 1975, and the funds for 1976 will be one-half of the present level. This would allow an orderly transfer of OEO programs to the community level.

Mr. President, I realize that some of these programs are more successful than others. The successful programs should be continued. However, the decision as to which programs to continue should be made by the community which is affected by these programs. This amendment would allow the members of a community an opportunity to select which programs, if any, they wish to continue and to include them in local financial planning. In this time of inflation, I feel it would be imprudent to authorize a program which will cost more than a billion dollars a year.

Mr. JAVITS. Mr. President, I wish to reserve the remainder of our time.

Mr. HELMS. Mr. President, the Senator from North Carolina does not desire to prolong this. He is willing to yield back the remainder of his time.

Mr. JAVITS. Mr. President, I do not know if I have it to yield back, but I shall take that much authority, to yield back the remainder of our time.

Mr. HELMS. I think the Senator is safe.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I further announce that, if present and voting the Senator from Massachusetts (Mr. KENNEDY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Jersey (Mr. CASE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

Why does the Senator want to amend that? Why does he want to add to it?

There can be nothing further to that than the enforcement of the law, unless we change the law. So the Senator is trying, under his amendment, to change that law. That is why he wants to amend Scott-Mansfield.

Mr. BEALL. I want to amend HEW, there is no question about that. I am trying to minimize some of the public outcry that results from this arrogance on the part of some of the administrators so that we can make sure we do not have the kind of erosion of the Civil Rights Act that we have had in the House of Representatives.

They sent this amendment over here. One House of the Congress of the United States has taken an action that severely limits, restricts the Department of Health, Education, and Welfare in the enforcement of the Civil Rights Act. We ought to be concerned about that. They have done this because of the public outcry, so let us do something that is going to make this bill pass.

Mr. BROOKE. The Senator is a U.S. Senator from the great State of Maryland; he represents Anne Arundel County. If HEW is giving him problems, he has the power and authority to do something about it.

Mr. BEALL. I have done that.

Mr. BROOKE. If HEW starts giving me problems in Massachusetts the Senator can be assured that I will go there and do something about it. But I am not going to come here on the floor of the U.S. Senate and ask the Senate to change the law, change the civil rights law, take away equal opportunity for minorities and for women because they have been harassing me in Boston, Mass. And I am being harassed in Boston, Mass., right now. I am telling the Senator I am embarrassed by what is happening in Boston, Mass.

Mr. BEALL. That is the court order.

Mr. BROOKE. I am not coming back here to ask my colleagues to change the law for the city of Boston.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. BROOKE. Certainly, on the Senator's time. [Laughter.]

Mr. BEALL. How much time do I have?

Mr. ROBERT C. BYRD. May we have order in the Senate and in the galleries?

The PRESIDING OFFICER (Mr. MONDALE). The Senate will be in order.

Mr. BROOKE. May we ask how much time we have remaining?

The PRESIDING OFFICER. The galleries are admonished to remain quiet.

The Senator from Maryland has 1 minute. The Senator from Massachusetts has 3 minutes.

Mr. BROOKE. On the Senator's time.

Mr. BEALL. I would ask the Senator from Massachusetts one question: If the Department of HEW, on the basis of one complaint received from the State of Massachusetts, went up and requested all of the records, what action would the Senator take?

Mr. BROOKE. Well, I am going to ask the Senator, why does he not give me the facts? The Senator has had three complaints. The Senator has an investigation in Anne Arundel County. They have not complied and, therefore, HEW has had to do something, and the case is now in the courts. Why does the Senator not say that? It is in the courts, is it not? The Senator's time is up. [Laughter.]

The PRESIDING OFFICER. All time of the Senator from Maryland has expired.

Mr. BROOKE. Now, Mr. President, in all due deference to my dear friend from Maryland, and I have the highest respect, esteem, and admiration for him, the effect of his amendment is practically the same as the other amendments.

I ask my colleagues, let us not take another backward step, let us do what we have done on the motion to table the Scott-Mansfield language, let us do what we have done on the Helms amendment, let us destroy the Holt amendment once and for all. Let us send back to the House of Representatives in a strong, clear, and loud voice the message that at least the U.S. Senate voted that here in 1974, December—whatever the date is, we have been debating so long I do not know—but whatever that date is——

Mr. BEALL. I will tell the Senator on his time.

Mr. BROOKE. No.

Whatever that date is, we do not want to take a backward step and we do want equal educational opportunities for minorities and for women.

I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MOSS). All time has been yielded back.

Mr. BROOKE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the Beall amendment. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS (after having voted in the negative). Mr. President, on this vote I have a live pair with the Senator from Arkansas (Mr. FULBRIGHT). If he were present and voting he would vote "yea." If I were free to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from Utah (Mr. BENNETT) are necessarily absent.

The result was announced—yeas 30, nays 62, as follows:

[No. 529 Leg.]

YEAS—30

Allen	Buckley	Curtis
Bartlett	Byrd, Harry F., Jr.	Dole
Beall	Chiles	Domenici
Brock	Ervin	Dominick
Fannin	Bruska	Scott, William L.
Goldwater	Johnston	Sparkman
Griffin	Long	Talmadge
Gurney	McClellan	Thurmond
Hansen	McClure	Tower
Helms	Nunn	
	Roth	

NAYS—62

Abourezk	Hartke	Packwood
Aiken	Haskell	Pastore
Baker	Hatfield	Pearson
Bayh	Hathaway	Pell
Bible	Hollings	Percy
Biden	Humphrey	Proxmire
Brooke	Inouye	Randolph
Burdick	Jackson	Ribicoff
Byrd, Robert C.	Javits	Schweiker
Cannon	Kennedy	Scott, Hugh
Case	Magnuson	Stafford
Church	McGee	Stennis
Clark	McGovern	Stevens
Cook	McIntyre	Stevenson
Cotton	Metcalf	Symington
Cranston	Metzenbaum	Taft
Eagleton	Mondale	Tunney
Eastland	Montoya	Weicker
Fong	Moss	Williams
Gravel	Muskie	Young
Hart	Nelson	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mathias, against

NOT VOTING—7

Bellmon	Fulbright	Hughes
Bennett	Huddleston	Mansfield
Bentsen		

So Mr. BEALL's amendment was rejected.

Mr. BROOKE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUGH SCOTT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold that request while the Chair recognizes the Senator from Massachusetts?

Mr. BROOKE. Will the Chair explain what the legislative situation is at this time? Where are we now?

Mr. ROBERT C. BYRD. Will the Senator let me proceed at this point?

Mr. BROOKE. Fine. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

TRADE REFORM ACT OF 1974

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the Senator from Delaware (Mr. BIDEN) has a perfecting amendment to the pending measure.

In the meantime, Mr. President, on behalf of various Senators, I send to the desk a cloture motion on the trade bill.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill H.R. 10710, an act to promote the

development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

Russell B. Long, Robert C. Byrd, Jr., Wallace F. Bennett, Hugh Scott, Alan Cranston, Joseph R. Biden, Jr., Hubert H. Humphrey, Walter D. Hathaway, John O. Pastore, Jacob K. Javits, Henry M. Jackson.

Walter F. Mondale, Jennings Randolph, Mike Gravel, Frank E. Moss, Abraham Ribicoff, Gaylord Nelson, Dick Clark, Sam Nunn, George D. Aiken, John Tower.

Mr. COOK. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. COOK. I merely ask this: Has the bill been laid before the Senate for debate?

Mr. ROBERT C. BYRD. The bill does not need to be laid before the Senate before debate, I state to the distinguished Senator, by virtue of the fact that I got unanimous consent earlier in the day that it be in order at any time today to offer that cloture motion.

The PRESIDING OFFICER. Such an agreement has been entered into.

Mr. HARTKE. Mr. President, I understand what is happening here. Having dealt with some surface transportation bills before, I know a railroad when I see it. This one came down the track very early.

The purpose of this cloture motion is really to cut off any type of amendment to the trade bill which would deal with the taxation of foreign oil companies who are operating with atrocious profits out in the Middle East at the present time, to require that the oil companies start paying taxes in the same fashion as domestic oil companies do. I am talking about foreign oil companies which would be required to pay taxes by the same method as domestic oil companies. It would prevent any type of measure which dealt with the Internal Revenue Code, because under rule XXII, every measure would be subject then to the question of whether or not it was germane to the trade bill.

As I understand from the Parliamentarian, the result is that if anyone in any fashion submits any material which is extraneous to the trade bill itself—for example, the Internal Revenue Code—it would be ruled as nongermane.

I find it rather extraordinary in this body that we limit the date upon a trade bill, the first of its kind since the last trade bill expired on June 1, 1967, a trade bill which came before the Senate Committee on Finance in March of this year, in which committee after that it was delayed because of other matters, but principally because of the so-called Jackson amendment.

My feeling is that we have several amendments which will be permissible under the bill, which are germane.

I point out that the very principle upon which this bill is being promoted is the fact that it is in the best interests of the United States to promote international commerce. Yet, at the same time, the President is invoking a request at least for a reduction of consumption of energy because of the balance-of-payments problem, while at the same time the principal ingredients of that balance-of-payments problem are being occasioned by the principal advocates of this measure.

So we have here the international oil cartel requesting us to go ahead and delete from our operations any equity in tax treatment and to fail to consider a measure which, if it had a chance on the floor of the Senate, would be voted upon favorably, in my opinion.

I am not objecting to this procedure. I think that the outline of the procedure is very clear. I do think it is rather unfortunate, though, that we pass a bill which has the overwhelming endorsement of these multinational corporations which at this time are taking jobs away from working people, without providing any type of restraint whatever upon these companies, upon the fact that they are gouging the American public, taking jobs away from the American worker. Here we have a trade bill, and people are fearful to go ahead and provide for any equity of treatment.

As I say, I am fully cognizant of what is going on. We are going to make every effort we can to try to put some perfection in this bill.

I call the attention of the Members of the Senate to the fact that if cloture is invoked, the total amount of debate that any Senator, including the manager of the bill, would be entitled to would be 1 hour. That 1 hour would deal with a bill which is very complicated. The so-called Jackson compromise, in and of itself, probably would consume more time, under normal circumstances, than ordinarily would be consumed under a cloture motion.

I have heard people criticize the Senator from Indiana for trying to kill this bill. I point out that I introduced a bill on trade before any other people did. I introduced a bill in the last Congress. There has never been a bill introduced on trade by the administration—in fact, by no other Member of Congress, other than the one by Representative BURKE and myself, called the Burke-Hartke bill.

The jobs of people in places such as Rhode Island have been shipped overseas. In many cases the working opportunities for many of our Americans have been absolutely destroyed, with jobs shipped to places like Hong Kong, where they have child labor, individuals working 6 days a week, at fractions of a dollar an hour, in many cases making as little as $1 a day, for children 12 years old, in the case of Singapore, where they guarantee that there will be no strike, where they have absolutely full employment. The jobs have been shipped to those countries.

All those measures are going to be relegated to a position of cloture, by which Senators will have 1 hour each in which to debate a complicated piece of legislation.

There is nothing I can do about what is being done here. It is probably the first time in the history of the U.S. Senate that a cloture motion has been filed to stop debate before the debate has begun.

I am content to say to the Senate that if we do not win on this measure, when President Ford comes back and asks for a tax reduction in January, those of us who feel that the multinational oil companies should be paying their taxes——

Mr. ROBERT C. BYRD. Mr. President, the Senator is entitled to be heard. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HARTKE. These multinational oil companies which are not paying their taxes should be on warning that the taxpayer has been taken for a ride long enough, and he is being taken for another ride in this bill.

It is my intention, along with Senator CHURCH, if we can, to eliminate the present situation which exists in regard to taxation of multinational corporations which have foreign source income. A domestic oil company has to pay taxes in the year in which it has a profit. A multinational corporation, unless it repatriates those profits and brings them back to the United States, has to pay no taxes whatsoever. That is unconscionable and definitely unfair and is certainly inequitable.

I point out that at present there is a depletion allowance on foriegn oil, and at present they do not use that, because they do not need to, because the foreign tax credit scheme provides an opportunity for them to avoid taxation.

A good discussion of this matter appears in the current issue of New Yorker magazine, in the December 9 issue. The first part of this statement is dealt with in the December 2 issue.

Mr. PASTORE. Mr. President, may we hear the Senator? I ask the Senator to put the microphone closer to his mouth.

Mr. HARTKE. I do not have much more to say. Each of us will have 1 hour to talk about the jobs in Rhode Island, in the textile industry, which were shipped first to Taiwan, then to Singapore and Hong Kong.

Mr. PASTORE. The Senator has mentioned Rhode Island twice. Leave it for the Senator from Rhode Island to take care of Rhode Island. The Senator from Indiana will take care of Indiana.

Mr. HARTKE. I will be glad to do that. I will take care of that. That is fine.

The point about it is that I just want the people in Rhode Island to know what the problem is, as well as the people of Indiana to know what the problem is.

Let me say to the Senator, also, that the depletion allowance on foreign oil, the requirement to eliminate the referral of taxation, and changnig the tax credit to a tax deduction, as it is in the United States, those three items, in and of themselves, produce at least a revenue loss to the United States, right now, of about $6 billion. The total tax revenue from corporations last year was just about $35 billion. So it demonstrates that American corporations and American business people and American individual taxpayers are paying the taxes for the multinational and oil corporations. Now, by virtue of this cloture petition, if successful, they will continue to pay those taxes for the big oil companies.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROBERT C. BYRD. Mr. President, I shall yield shortly to the Senator from Louisiana, after I respond to the Senator from Indiana.

May I say to the Senator from Indiana that, in the event cloture is invoked on this measure, I shall do everything I possibly can to get consent for Senators to have more than 1 hour.

The Senator is correct; under the rule, they would be entitled each to only 1 hour. I recognize the importance of this measure to many Senators. I have not determined in my own mind whether I shall vote for it or against it. But I do think there is a necessity to move the bill forward and have it disposed of, one way or another.

Time is growing short. I understand that this measure is of the greatest importance. The President wants it to be enacted. I know that there are arguments pro and con, and I know what the pressures are on many Senators. I have the same pressures. But I think that we have a duty in the Senate to get some action on this bill, one way or another.

I think it would look bad for the Senate if we were to go home without acting one way or another on a bill that, apparently, is of vital importance to the country—depending upon one's opinion, I suppose. I have offered this motion so that the Senate will act if two-thirds of the Senators present and voting want to invoke cloture.

Again, I assure the Senator that I shall try to get more time for him. Of course, I shall yield him all my time, if I can get consent to do it. In any event, I shall endeavor to do all that I can to get the Senator more time on the bill if cloture is invoked.

Mr. HARTKE. Will the Senator yield for just one moment?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. HARTKE. Let me point out that the time element, in my judgment, is not the reason for the cloture petition being filed.

Mr. ROBERT C. BYRD. I did not say that.

Mr. HARTKE. This is the first time that I have seen, since I have been in the Senate, the utilization of a cloture petition to lock out nongermane amendments. That is the purpose of the cloture petition.

Now, it is perfectly legal; it is within the rules. I am not complaining. I have learned to live by the rules, and I am going to live by the rules. But I just want it perfectly clear, as somebody else said, and for the people here to know that this is not to limit debate, which was the original purpose of rule XXII, point 2, I think it is.

Mr. ROBERT C. BYRD. That is one of the purposes. Another purpose is to keep out nongermane amendments. That is provided in the rule.

Mr. HARTKE. That is what the rule says, but the rule directs itself to limitation of debate.

Mr. ROBERT C. BYRD. That is true.

Mr. HARTKE. Then it goes back and points out that dilatory amendments, or nongermane amendments, will be ruled out of order, or could be ruled out of order.

Mr. ROBERT C. BYRD. They are out of order.

Mr. HARTKE. All I am saying is that I am not complaining. I am perfectly willing to be limited on time. I am not complaining about that. But I want it known that the amendment which I think should be considered, which the Senate should direct itself to, is the fact that about $6 billion in tax revenue is being drained off from the American public. We could reduce corporate taxes, if we want to trade it off for domestic concerns, from the present 48 percent level to about 40 percent. In other words, that is about an 8 percent assessment on domestic corporations alone, if the Senator wants to do it in that kind of trade-off.

This cloture petition is being presented simply on the basis of ruling out that amendment. That is perfectly all right with me. I have been around here long enough to know that there is always another day.

Mr. ROBERT C. BYRD. Mr. President, as to the nongermane amendments, I do not think that at this late date, Senators ought to be asked to vote on nongermane amendments to this bill. Amendments which have great appeal—for example, if an amendment dealing with consumer protection can be called up and offered on this bill, I would find it difficult to vote against that amendment. If an amendment dealing with tax reform were to be called up and offered to this bill, I would find it difficult to vote against that amendment.

I do not think Senators ought to be put into that kind of difficult position at this late stage of having to vote against amendents, which votes would be misunderstood by their constituents, and which amendments have great appeal to the public and to the Senators who have to vote on those amendments. And such amendments, instead of becoming law, would only assure that the bill would not pass. That would be a sure way of killing the bill.

That being the case, I feel that it would be not only proper, but that it would be wise to vote to invoke cloture on this measure and let every Senator vote as he wishes on the measure, up or down.

Mr. HARTKE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HARTKE. I am saying that I am not arguing about that. I am discussing measures which absolutely, within the framework of common parlance, would be considered germane, but, because they address themselves to the Internal Revenue Code, the Parliamentarian informs me that they would be considered nongermane, in the legal sense. The amendment of Senator CHURCH and myself and Senator HASKELL deals with DISC, which is a trade operation; it deals with the Southern Hemisphere Trading Association, which is a trade operation. But they do happen to deal with the Internal Revenue Code. That is where the purpose of these items lies.

The original intent of giving these multinational corporations and oil companies the tax favoritism was to encourage world trade.

Mr. ROBERT C. BYRD. Let me say to the Senator that there are vehicles still on the calendar on which amendments such as the Senator is proposing can be offered. If cloture is invoked on this measure, I shall do everything that I can to see that Senators have an opportunity—the distinguished Senator from Louisiana (Mr. LONG), who is chairman of the Committee on Finance, will speak to this—but I shall do everything that I can to see that Senators have every opportunity to offer that kind of amendment to the proper vehicle. Such a vehicle is on the calendar. As a matter of fact, there are two such vehicles on the calendar. Senators will have a chance to offer tax amendments if we can dispose of the trade bill in time before the session ends.

SUPPLEMENTAL APPROPRIATIONS, 1975—CONFERENCE REPORT

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send this cloture petition to the desk while we have the supplemental appropriations conference report before the Senate.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the amendment by the Senator from Pennsylvania (Mr. SCOTT) to House amendment No. 17 to H.R. 16900, the supplemental appropriation bill for 1975.

Robert C. Byrd, Hugh Scott, Clifford P. Case, Joseph M. Montoya, Ted Stevens, Jacob K. Javits, Edward W. Brooke, Richard S. Schweiker, Mike Gravel, John O. Pastore, Alan Cranston, Edward M. Kennedy, Thomas F. Eagleton, Walter F. Mondale, Edmund S. Muskie, Lee Metcalf, Joseph R. Biden, Jr., Birch Bayh, Quentin N. Burdick.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Before I yield to Mr. LONG and then to Mr. PASTORE, I ask unanimous consent that the conference report now be laid aside and that the unfinished business be called up so that Senators may address themselves, if they wish to, to the trade bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor to the Senator from Louisiana (Mr. LONG).

Mr. President, there will be no more votes tonight.

Mr. LONG. Mr. President, it is indeed a very unusual procedure to file a cloture petition at the same time that we call up a bill. In this case, however, Mr. President, I am convinced that there is no possibility whatever that we can pass this trade bill unless we are able to hold the Senate to a rule of germaneness.

I had hoped that we would be able to

~~do business in a broader fashion. As a matter of fact, I even took it upon myself to go down and suggest to the President of the United States that it would be very nice if we could add a tax reform amendment taxing the oil companies on their very large overseas profits, and perhaps an amendment to deregulate the new gas that could be brought onto stream, to help with the energy crisis, on this bill.~~

~~It seemed to me that there might be the possibility that those who opposed one bill——~~

~~The PRESIDING OFFICER. Will the Senator suspend a moment?~~

TRADE REFORM ACT OF 1974

The PRESIDING OFFICER (Mr. Moss). The Chair lays before the Senate, as requested by the assistant majority leader, the unfinished business, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will resume the consideration of the bill.

Mr. LONG. It would seem to me, Mr. President, that those who wanted to put some taxes on the large profits oil companies were making overseas might be willing to permit those who wanted to deregulate some of the new gas being produced in the country—might be willing to vote for the other fellow's amendment, provided they would vote for his amendment. I thought that might be a very good trade-off, to try to get one group to vote for an amendment that the other fellow wanted, provided he would accommodate them in the same fashion.

But, Mr. President, that proved to be totally impracticable. I have here an editorial from the Washington Post with which I find myself in a very large measure of agreement, which spells out the problem. It is entitled "Senate Politics and the Trade Bill." I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATE POLITICS AND THE TRADE BILL

The trade reform bill, carrying with it the crucial agreement on emigration out of the Soviet Union, is now in grave and rising danger. It comes to the Senate floor on Monday, where it will fall into an enormously complicated political situation involving the Democratic party's tangled relations with the labor movement and the maneuver around the 1976 presidential campaign. The opposition to the trade bill is being ably and powerfully led by the AFL–CIO. Regrettably, the American labor movement in recent years has turned toward a kind of protectionism that is bitter and vehement as it is narrow and wrong-headed. The bill has already been through the House. The strategy to kill it in the Senate, in these last days of the Congress, is to hang inflammatory amendments onto it.

The consequences of defeat of this bill would be beyond calculation. The progress of detente with the Soviet Union assumes steadily widening trade and the most-favored-nation status under our tariff laws that this country has repeatedly promised the Soviets but not yet delivered. As the price of this trade, a large number of senators, led by Henry M. Jackson (D-Wash.), demanded the Soviet emigration guarantees that, through arduous and successful negotiation, Secretary of State Henry Kissinger has finally achieved. These guarantees are contingent on the passage of the bill. It is necessary to expect that, if the bill dies in the Senate, life will suddenly become very much more unpleasant for those Soviet citizens who are trying to emigrate.

The purpose of the trade bill is to give American negotiators the authority to work out new international trade rules. In a time of great turbulence and disruption in world markets, the old rules are rapidly becoming obsolete. But the proportion of this country's production that is sold abroad continues to rise rapidly, and American prosperity depends upon the success with which we can keep these markets operating on principles that are fair. If you believe that Americans should have a worldwide choice of goods to buy, the trade bill is the most important consumer legislation that Congress will consider this year.

The AFL–CIO is fighting the bill aggressively and sharply reminding senators that labor is likely to be the largest single source of campaign funds and organizational support to a Democratic presidential candidate in 1976. The leading candidate for the nomination at the moment is, of course, Sen. Jackson. He is now caught between two important elements of his constituency, the Jewish organizations that strongly support the Soviet emigration agreement and the unions that equally strongly oppose the trade bill. To his credit, the senator has not wavered in regard to the bill. But he is not the only senator (or potential presidential candidate) in this uncomfortable position, and the real tests lie ahead. They will come in the maneuver over the killing amendments, of which there currently seem to be four.

The most dangerous is probably the amendment to deregulate the price of natural gas, which Sen. James Buckley (Cons. R-N.Y.) is expected to offer. Deregulation would serve the public interest, and it is part of any rational energy policy for this country. But it would be wanton to try to use the trade bill as a vehicle to get this highly controversial proposal enacted. It is perfectly clear to us, as it ought to be clear to any senator, that a bill with the Buckley amendment in it will be met with a filibuster that, at the tail end of the session, cannot help but succeed.

Another possible amendment is the so-called Energy Security Transportation bill, possibly the most gross and damaging piece of special interest legislation to appear in this Congress. It would require a rising proportion of our oil imports to arrive in American tankers, at an inordinate public cost in shipping subsidies. Its advocates, the maritime unions and shipyards, are seeking to attach it to respectable legislation so that President Ford cannot veto it.

Sen. Vance Hartke (D-Ind.), a faithful ally of the AFL–CIO, has a complicated proposal to tax companies' foreign income. He may attempt to attach it to the trade bill in an effort to turn off the multinational corporations' strong lobbying for the bill.

A fourth possible killer amendment is the income tax cut that Sen. Edward Kennedy (D-Mass.) reportedly has under consideration. The sharp increase in the unemployment rate has greatly increased pressure in Congress for a quick tax reduction before adjournment. One possibility under discussion among some senators is to take the entire tax reform bill passed earlier by the House and attach the whole thing as a rider to the trade bill. But the House's tax legislation also would abolish the depletion allowance for the oil industry. Just as the senators from the gas-consuming states would filibuster deregulation to death, senators from the oil-producing states would filibuster any bill attacking the depletion allowance. All of these proposals deserve consideration on their merits, independently, at another time. None of them is worth jeopardizing the trade reform bill now.

A senator who votes for any of these extraneous amendments must do it in the knowledge that they are likely to kill the trade bill—and each of the amendments will pick up some votes intended to do precisely that. Any senator who wants the trade bill to pass will support agreements to prohibit any extraneous amendments at all. This position will be difficult for some senators. But the bill will pass only if the killer amendments are shut out—and it is a bill that carries a heavy freight of hopes and benefits.

Mr. LONG. What this editorial points out is that amendments such as that which the Senator from Indiana (Mr. HARTKE) would offer would surely mean death to the trade bill. It points out that in addition to this amendment, the one to deregulate natural gas to which I have referred, there is also the possibility that the Senator from Massachusetts (Mr. KENNEDY) might decide to offer an amendment of a broader tax reform nature, and again this newspaper indicates, and I find great sympathy for it, that it would like to support the amendment, but that if it is offered on this bill, and if the proponents insist on pressing for final passage with that amendment, it really means we would have no trade bill. So the amendment does not become law. Nothing happens. All we are doing is spinning our wheels and achieving nothing.

So I concluded, and I think correctly at that point, that much as I would like to see the Hartke amendment agreed to—and I would vote for it; I will say to the Senator from Indiana that if he will seek an opportunity to offer his amendment on some other revenue bill, I will support it—it would seem to me that that amendment, as well as the deregulation amendment for new gas, should be supported, but if we insist on adding those amendments to this bill, it will kill the bill and it will not afford any help to those who sought to enact the amendments, because nothing will happen; the whole thing will be an exercise in futility.

On the following day, there appeared in the same newspaper, the Washington Post, a reproduction of a letter signed by the chairman of the Senate Committee on Commerce (Mr. MAGNUSON). In that letter, the chairman of the Commerce Committee made it clear in unmistakable terms that this measure would be debated in extenso. It would be debated to the extent that it would not become law, no matter how determined the sponsors of that amendment may be, seeking to deregulate the new gas that could be brought into production in this country.

So it is clear that there is no possibility of compromise in this area. Here is enough controversy to kill the trade bill in and of itself.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter

was ordered to be printed in the RECORD, as follows:

NATURAL GAS AND THE TRADE BILL

International corporate and governmental oil cartel prices are the prime cause of inflation, recession and economic instability in the world. We have even heard allusions to a risk of war against the OPEC nations in the fight to reduce oil prices. Yet, many now propose to let domestic oil and natural gas prices rise sharply to the cartel price we all condemn.

Under the administration proposal, natural gas pricing would in effect be removed from the U.S. government and put into the hands of the oil cartel. The result would be still more inflation and recession—with no more assurance of increased natural gas supplies than increased oil prices have given us of increased oil supplies.

For 25 years producers of natural gas have lobbied for deregulation of natural gas—for total license to charge the highest price the consumer can be compelled to bear for this essential fuel.

Now, taking heart and ammunition from the concern over natural gas shortages which they helped create, they seek to blackmail an anxious public into granting them this long sought goal.

One thing is certain about natural gas price deregulation: the interstate price of natural gas which now averages about 28c per thousand cubic feet could escalate as much as seven times, to more than $2 per thousand cubic feet. This is already happening in nonregulated intrastate sales of natural gas. These price increases are estimated to add about $64 per year to the average family's fuel bill.

Deregulation has been estimated to increase the direct cost of natural gas by $9 to $11 billion by the end of 1975; and another $54 to $58 billion from 1976 to 1980. These direct costs for fuel ripple through the economy, raising the prices of all goods and services which require natural gas. An industry sensitive Federal Power Commission has already permitted new natural gas prices to double in less than two years. This summer it established a national rate of 43c—and has permitted many sales at still higher rates. Adjustments to reflect inflation in producer costs are no doubt in order, but the gas producers won't settle for such increases which have already doubled the prices they received for new gas. The industry is telling us that until you allow the price of natural gas to rise to our price of oil, we will keep natural gas supplies in the ground and wait until the public comes begging. This is doubly galling since the greatest new gas supplies lie beneath offshore lands owned by the American public and are subject to leases managed by the Department of the Interior. Many of these leases are not being developed and produced, and the fault lies with the Secretary of the Interior, not FPC price controls.

Total deregulation offers no assurance whatsoever of significant increases in gas supplies over what could be obtained by rigorous enforcement of production requirements in leases on the federal domain, and an end to the uncertainty over natural gas prices created by the hope of decontrol. Oil prices have tripled, oil production has fallen. The major new gas finds are anticipated to be located off shore, and the great bulk of that natural gas is estimated to be associated with deposits of oil. This means that gas will be found as a by-product of the search for oil regardless of the price allowed to be charged for natural gas.

I deplore the administrative failures of the Federal Power Commission and imperfections in the Natural Gas Act. Yet strenuous efforts by the Senate Commerce Committee to reform and streamline FPC activities have thus far been frustrated by oil industry insistence on total deregulation and the administration's support of the industry's position.

While the attention of Congress and the public was diverted by Watergate, the inflation crisis and the elections, the oil and gas producers have been hard at work selling natural gas deregulation to understandably anxious senators and congressmen as the cure for natural gas shortages. A proposal to effectively deregulate all natural gas prices has now been introduced as an amendment to the trade bill (H.R. 10710), to a bill to suspend duties on platinum and carbon (H.R. 13370), and to an otherwise innocuous bill to provide for the duty-free entry of a telescope to Hawaii (H.R. 11796). The proposal speaks in terms of decontrolling only new gas discoveries, but it contains loopholes that would soon permit old gas to be classified as new, and effectively permit the price of the great bulk of our gas supply to escalate to an artificially high ceiling.

I will strenuously oppose this amendment and will fully utilize the potential of the Senate as an education forum to bring home to the American people the unconscionable inflationary impact of still higher prices for the energy which supplies one-third of the nation's requirements. I and a number of my colleagues will also be continuing our effort to enact reforms of government policy that will improve natural gas supplies without adding to the inflation of oil company profits.

I am joined in this communication by Senators James Abourzek, Birch Bayh, Dick Clark, Frank Church, Thomas E. Eagleton, Philip A. Hart, George McGovern, Lee Metcalf, Adlai E. Stevenson, Howard M. Metzenbaum, Walter F. Mondale, Frank E. Moss, William Proxmire, Abraham Ribicoff, and Harrison A. Williams Jr.

WARREN G. MAGNUSON.

Mr. LONG. Mr. President, I have participated in some of the most famous filibusters of the Senate, and I am very proud of it. It may lose some of its respectability as time goes by, but I enjoyed it, and have fond memories of the comradeship that exists among men when they make up their minds they are going to defeat a bill, no matter what the cost.

Some of those filibusters have been successful; some have been failures. But I can recall that when we fought, as our consciences gave us the light to see it, against the civil rights bill of 1964, even after the Senate invoked cloture on those of us who came from the South and were speaking against that bill, we managed to carry that debate on for 10 more days, even after the Senate had voted cloture, and even though the Senate was kept in session for long hours, coming in about 9 or 10 o'clock in the morning and staying in session until midnight at night.

Now here we are, well into the second week of December, and we only have about 2½ weeks more to go. A resourceful group of opponents, only a few in number, perhaps 5, 6, or 10, could defeat this bill, which has been the subject of a great deal of effort and work by the administration, by the House of Representatives, and by the Senate Finance Committee, and the Senate should decide whether it wants to pass the bill.

If we want to offer Senators a chance to vote on it, I see no other way to do it than to move for cloture on this measure.

I certainly will support a suggestion by the leadership that there be more than 1 hour afforded to Senators who might require more time to explain their position on various amendments, because we do not seek to limit the time that a Senator can speak so much as we seek to limit this bill to germane items to be added to it. If we are able to do that, I think, Mr. President, that the bill can become law. Otherwise, I have very little doubt that the bill will fail.

We will hear a great deal about the desire of all of our trading partners around the world, our allies, our friends, and some who are not too friendly, to trade with the United States. They have been waiting anxiously to negotiate trade agreements with us for more than a year now. With world economic conditions being what they are, those people want to know, is the United States going to move toward freer trade, is it going to move toward expansion of trade among nations, or is the United States going to move toward an isolationist position, where it does less and less business with its friends in the world?

If the United States is to do the latter, they are going to fear very much for the fate of their own economies, and they are going to conduct themselves in a similar fashion. They are going to go back into their shell seeking to protect their own interests.

So, Mr. President, I am very hopeful that the Senate will pass this measure because I think the Senate has a right to vote on it. If it votes, the measure will pass. I regret it is necessary to ask to limit debate and to require germaneness in order to pass the measure.

I signed a cloture motion, and I will vote for it and I will urge Senators to support it. Therefore, without this, all of the effort of those in the various departments of Government, our Ambassadors and trade representatives around the world, as well as those who have worked diligently on this measure in the House of Representatives and the Senate during the past 2 years will find that their efforts have been in vain.

I will address myself in greater detail to the merits of the bill tomorrow.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. LONG. I yield the floor.

Mr. HARTKE. I think the Senator knows I hold him in very high regard, and I want to compliment him for the many hours spent on this bill. I do not think there are many people who realize the number of meetings that have been held on what is a very complicated piece of legislation.

I daresay that probably no one in the Senate is more familiar with the details of that bill than the chairman of the Senate Finance Committee. Many times he had to do that with not much help from other members of the committee, which I am not sure he enjoyed, but he suffered through that.

But I want to point out again, just in talking about more time, that more time does not help if we do not have an amendment upon which we can address the time, and that is the situation here.

I personally listened to the assistant majority leader say that there are other measures on the calendar, the time for which these amendments will be drawn

away from in order to have the vote on cloture, but I do not see them coming on the floor of the Senate. I am cognizant of the lateness of the hour and the lateness of the time in this session.

I just point out again that the trade bill is something which is being considered under a hasty fashion on the floor of the Senate, not in the Senate Committee on Finance.

Let me point out that the last Trade Expansion Act was adopted in 1962. That measure went onto a meeting of the so-called Kennedy round. The Kennedy round finally came forth with a conclusion on May 15, just one-half month before the act expired on June 1, 1967.

Since that time this country has been without a trade bill, without any legislative authority to have them negotiate, and no one seemed to get excited about it until the latter part of this session.

The other thing I would like to point out is that the Trade Expansion Act which President Kennedy hailed with a great deal of enthusiasm was nothing more than a propaganda victory and as the ultimate end result.

Those who look up this bill as providing for great relief; I would hope they would think twice. I went down that trail the last time. The total result of that meeting was that it was on April 15 that the decision was made by the negotiators that nontariff barriers would be excused from consideration in the Kennedy round. That was the heart of the problem, and that is still the heart of the problem.

Secondarily, the items which had significant influence upon any nation in regard to tariff reduction would not be considered, even though there was a misstated goal of reducing all tariff considerations by 50 percent in 5 years.

The total effect of the Kennedy round dealt with less than 3 percent of all the trade in the world. That was the last great propaganda victory for so-called free trade.

I would hope that if we do have a trade bill we would have negotiators who, at least, would do better than our prior negotiators, and I would hope that maybe we could put some restrictions on negotiators to prevent them from accepting jobs with these great multinational corporations which are doing business overseas, where all our negotiators seem to end up at. But the propaganda has been heavy. Even the advertising agencies find it to their best interests to be on the side of the big multinational corporations because 52 percent of all agency income now comes from those people who are dealing in foreign affairs. In other words, I am talking about the foreign-source income now contributing 52 percent of the advertising agencies' income. So the machine is working and I just hope the people are not short-changed.

Let me say to the Senator it in no way reflects upon the ability of the chairman who, I think, has done an outstanding job.

I think this is a remarkable maneuver, and I would just hope that in some way he could have gotten the unanimous consent to at least make the oil companies pay their taxes and stop gouging the public.

The PRESIDING OFFICER. Does anyone seek recognition?.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HARTKE). Without objection, it is so ordered.

SENATE JOINT RESOLUTION 263—TO AMEND THE NATIONAL HOUSING ACT TO CLARIFY AUTHORITY OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION WITH RESPECT TO THE INSURANCE OF PUBLIC DEPOSITS

Mr. SPARKMAN. Mr. President, I ask that the Chair lay before the Senate Senate Joint Resolution 263.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

Senate Joint Resolution 263, amending the National Housing Act to clarify the authority of the Federal Savings and Loan Insurance Corporation with respect to the insurance of public deposits, and for other purposes.

Mr. SPARKMAN. I request its immediate consideration.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration and, without objection, the joint resolution will be considered to have been read the second time at length.

Mr. SPARKMAN. Mr. President, the committee resolution, Senate Joint Resolution 263, which we are now considering contains six sections. Four of the sections of the resolution are of technical nature only and are for the purpose of correcting inconsistencies or discrepancies in legislation we considered during this session of the Congress.

Specifically, these technical corrections are as follows:

First. When we authorized the Federal Savings and Loan Insurance Corporation to insure public accounts in Public Law 93-495, we failed to include Guam in the definitional section of the areas in which the FSLIC could insure public accounts. This resolution corrects that omission.

Second. In the same legislation when we authorized the FSLIC to insure public accounts, we failed to give the corporation definitional authority for defining public accounts. The resolution gives the FSLIC that definitional authority.

Third. The resolution increases the number of members of the Board of Directors of each Federal Home Loan Board from 12 to 14. This amendment permits the Federal Home Loan Board to appoint six public interest directors instead of four, and it is believed the Board of Directors will then become representative of a broader range of nonthrift-industry dues with results expected to be beneficial to the provision of sound economical home financing.

Fourth. Under the medical facilities construction and modernization amendments, it authorizes HEW to make loans to public agencies and authorizes HEW to make loan guarantees to private agencies for modernization or construction of hospitals and other things. The Federal National Mortgage Association is authorized to purchase the mortgages covering loans made to public agencies; it is not authorized to purchase the mortgages made to private nonprofit agencies. The resolution gives the FNMA authority to purchase mortgages made to private nonprofit corporations.

The two other provisions contained in the resolution are as follows:

Public Law 93-127 requires of all dollar, half dollar, and quarter dollar coins minted for issuance on or after July 4, 1975, and until such time as the Secretary of Treasury may determine shall bear a design to be emblematic of the Bicentennial of the United States. It further provides that the coins in these three demominations issued between July 4, 1975, and January 1977, shall bear "1776-1976" in lieu of the regular date of the coinage. We have been advised by the mint that an unexpected surge in coinage demand throughout the Nation during the last year has made it impossible for the mint to strike the number of coins necessary for the Bicentennial within the time alloted in Public Law 93-127. This resolution gives the mint an additional time period of 1 year within which to mint such coins.

The final section of the resolution provides authority to continue the life of the Federal Savings and Loan Advisory Council. The Banking Committee reported a bill to extend the life of this Council and that bill was referred by this body to the Senate Committee on Government Operations. That committee reported the bill yesterday with an amendment. This resolution contains in section 7 the bill as amended by the Government Operations Committee. Quite frankly, we are including the bill in this resolution in order to accommodate expeditious handling of the matter in the House of Representatives. By incorporating the bill in this resolution, the House can deal with one measure rather than two.

Mr. President, I urge favorable consideration of the committee resolution by the Senate.

Mr. President, this is largely a technical resolution. It was reported out of the Banking Committee today. It is to correct some mistakes or omissions in the previously agreed to legislation.

One or two other things: We give the Mint, for instance, an extra year in which to coin Bicentennial coins. The demand is so great that they simply cannot finish in the time we had previously given them, and we add a year.

We make one change in the savings and loan associations by allowing 14

Senate

THURSDAY, DECEMBER 12, 1974

The Senate met at 10:30 a.m. and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, our Guide and Judge, we beseech Thee to erase from Thy remembrance our spiritual inadequacies, our moral migrations, our wandering from Thy love. Blot out our sins and remember no more our transgressions. So may we turn to the tasks of this day with clean hands and pure hearts and write upon the record only those things that are just and true and beautiful. Direct us so that ambition for power shall be supplanted by the passion to serve. As men chosen for a great service, help us to stand for righteousness and justice and truth. By Thy grace hold us together in strong spiritual alliance for service to this Nation and for the glory of Thy name.

We pray in Thy holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., December 12, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BURDICK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, December 11, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Rhode Island.

TRADE REFORM ACT OF 1974—H.R. 10710

Mr. PASTORE. Mr. President, in conformity with rule XXII, I present an amendment on behalf of myself and Mr. HUMPHREY, and ask unanimous consent that it be considered as read prior to the time the debate closes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 275, between lines 17 and 18, insert the following:

(c)(1) The President may not designate any article as an eligible article under subsection (a) if such article is within one of the following categories of import-sensitive articles:

(A) textile and apparel articles which are subject to textile agreements,

(B) watches,

(C) import-sensitive electronic articles,

(D) import-sensitive steel articles,

(E) footware articles specified in items 700.05 through 700.27, 700.29 through 700.53, 700.55.23 through 700.55.75, and 700.60 through 700.80 of the Tariff Schedules of the United States, and

(F) any other articles which the President determines to be import-sensitive in the context of the Generalized System of Preferences.

On page 275, line 18, strike out "(c)" and insert in lieu thereof "(2)".

EXHIBITION OF ARCHEOLOGICAL DISCOVERIES FROM THE PEOPLE'S REPUBLIC OF CHINA

Mr. HUGH SCOTT. Mr. President, I had a special reason last evening to reflect on the old saying "Ars longa, vita brevis," art is long and life is fleeting.

At the exhibition opening here of the archeological discoveries from the People's Republic of China, the American people will have an opportunity to see examples of some of the finest of man's handiwork extending over millennia. They will see the craftsmanship of people from the dim-lit past; they will see the evolution of conceptions of form and color and message-sending as the cycles pass and appreciation grows of the meaning of art in the life of man.

They will see forms taken from daily life, ancient houses, towers, farmyards, animals, people; they will see the continuing effervescent wit of the Chinese in their traveling shows, their acrobats, their equestrians, their lovely ladies, their amusing little pet dogs; they will see the warlike character which marked the expansion and contraction of their boundaries from one generation or another. They will see beauty and splendor beyond the ability of the hand of modern man to create in the great Shang bronzes which, for many years, seemed to scholars to have sprung in full maturity of design as if from the brow of some Jovian creator.

Actually we now know something about how these bronzes originated from pottery vessels and evolved later from cruder bronze forms. But the magnificence and the tectonic power of those bronzes would challenge successfully the ability of a Tiffany or a Cartier to produce even a pale copy.

This can also be said of the T'ang golden cups and bowls and dishes, as Marco Polo reported, with due amazement, at the Court of the Great Khan.

The cosmopolitanism of this lively T'ang Dynasty is amply illustrated in the magnificence of the burial figures, the ming Ch'ih. The development of the art of China; in their exquisite porcelains, fittingly named for China, their mother is traced up to the period of the invaders, the Mongols of the Yuan Dynasty. Here is a rare treat for those to whom China is a mystery. This is an opportunity for everyone; this is a fascination for those who have long been fascinated, and this is an exhibition which ought not to be missed.

Truly art is long and life is fleeting, and this art represents, to me at least, the epitome of what man can do with his hands, with his mind, when impelled by some ineluctable spiritual force.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Massachusetts (Mr. KENNEDY) is recognized for not to exceed 15 minutes.

SENATE RESOLUTION 448—SUBMISSION OF A RESOLUTION RELATING TO FURTHER ARMS CONTROL MEASURES

(Referred to the Committee on Foreign Relations.)

Mr. KENNEDY. Mr. President, I rise to submit a resolution expressing the sense of the Senate on the recent agreement in principle on nuclear arms control, reached at Vladivostok by President Ford and General Secretary Brezhnev. I am joined by my distinguished colleagues from Maryland (Mr. MATHIAS) and Minnesota (Mr. MONDALE) and California (Mr. TUNNEY).

Mr. President, for more than a decade now, a central objective of U.S. foreign policy has been to place firm limits on the nuclear arms race with the Soviet Union. We have had some notable successes, including the Limited Test Ban Treaty of 1963, and the agreements of 1972 to limit offensive and defensive missile systems.

Now President Ford and General Secretary Brezhnev have concluded an agreement in principle to impose limits on nuclear delivery systems through 1985. I ask unanimous consent that the text of that agreement in principle, the United States-Soviet joint communique at Vladivostok, an editorial of December 6, 1974, and article of December 12, 1974, in the Washington Post be printed in the RECORD at this point.

profits, or excess profits tax on income from activities other than the extraction, production, or refining of oil or gas in that country, any part of a payment made to that country as an income, war profits, or excess profits tax which is not reasonably similar (in terms of the rate of tax, or of the amount of tax paid for the income or profits involved) to the amount payable with respect to income or profits arising out of other activities, as determined by the Secretary or his delegate, is considered to be a royalty payment. In the case of any other foreign country, any part of a payment made to that country as an income, war profits, or excess profits tax which is determined by the Secretary or his delegate, on account of the manner in which it is determined, the rate or amount involved, or any other reason, to constitute the payment of a royalty is considered to be a royalty payment.".

(2) CARRYOVERS.—Section 904(f)(4) of such Code (relating to transitional rules for carrybacks and carryovers) is amended by adding at the end thereof the following new subparagraph:

"(C) CARRYOVERS TO YEARS BEGINNING AFTER DECEMBER 31, 1973.—

"(i) Whenever pre-1974 taxes are, under the provisions of subsection (d), deemed to be post-1973 taxes, the pre-1974 taxes shall be redetermined in accordance with the provisions of section 903(b) (relating to royalties) as if those provisions applied to the taxable year in which the pre-1974 taxes were paid or accrued.

"(ii) For purposes of this subparagraph, the term 'pre-1974 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year ending before January 1, 1974, and the term 'post-1973 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year beginning after December 31, 1973".

(b) REPEAL OF OVERALL LIMITATION.—

(1) IN GENERAL.—Section 904 of the Internal Revenue Code of 1954 (relating to limitation on credit) is amended—

(A) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) LIMITATION.—The amount of credit in respect of tax paid or accrued to any foreign country or possession of the United States shall not exceed the same proportion of the tax against which such credit is taken which the taxpayer's taxable income from sources within such country or possession (but not in excess of the taxpayer's entire taxable income) bears to his entire taxable income for the same taxable year.";

(B) by striking out subsection (b);

(C) by redesignating subsection (c) as (b) and by striking out "applicable" in that subsection;

(D) by redesignating subsection (d) as (c) and by striking out "applicable" each time it appears in that subsection;

(E) by striking out subsection (e);

(F) by redesignating subsection (f) as (d) and by striking out "(c), (d), and (e)" in paragraph (1) of that subsection and inserting in lieu thereof the following: "(b) and (c)";

(G) by striking out subsection (d)(3) (as redesignated under paragraph (6));

(H) by redesignating subsection (d)(4) (as redesignated under paragraph (6)) as (d)(3) and by striking out "(d)" each time it appears in that subsection and inserting in lieu thereof "(c)";

(I) by redesignating subsection (d)(5) (as redesignated under paragraph (6)) as (d)(4) and by striking "(1)" after "(a)"; and

(J) by striking out subsection (g) and inserting in lieu thereof the following:

"(e) CROSS REFERENCE.—

"For increase of limitation under subsection (a) for taxes paid with respect to amounts received which were included in the gross income of the taxpayer for a period taxable year as a United States shareholder with respect to a controlled foreign corporation, see section 960(b).".

(2) TECHNICAL AMENDMENTS.—

(A) Section 901 of the Internal Revenue Code of 1954 (relating to taxes of foreign countries and of possessions of the United States) is amended—

(i) by striking out "applicable" the first time it appears in subsection (a); and

(ii) by striking out "applicable" the first time it appears in subsection (b).

(B) Section 960 of such Code (relating to special rules for foreign tax credits) is amended by striking out "applicable" each time it appears in subsection (b);

(C) Section 1503 of such Code (relating to computation and payment of tax) is amended—

(i) by striking out "(a) GENERAL RULE.—"; and

(ii) by striking out subsection (b).

TRADE REFORM ACT OF 1974—H.R. 10710

AMENDMENT NO. 2044

(Ordered to be printed and to lie on the table.)

Mr. PASTORE (for himself and Mr. HUMPHREY) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

AMENDMENTS NOS. 2045 AND 2046

(Ordered to be printed and to lie on the table.)

Mr. ROBERT C. BYRD submitted two amendments intended to be proposed by him to the bill (H.R. 10710), supra.

AMENDMENTS NOS. 2047, 2048, 2050, and 2051

(Ordered to be printed and to lie on the table.)

Mr. LONG submitted the following four amendments intended to be proposed by him to the bill (H.R. 10710), supra:

AMENDMENT NO. 2047

Strike out "Trade Reform Act of 1974" every place it appears as follows therein and insert in lieu thereof "Trade Act of 1974":

Page 1, line 4.
Page 89, line 19.
Page 89, line 23.
Page 90, line 15.
Page 100, line 3.
Page 100, line 11.
Page 144, line 13.
Page 144, line 17.
Page 181, line 5.
Page 181, line 21.
Page 183, line 4.
Page 183, line 15.
Page 229, line 6.
Page 229, line 14.
Page 283, line 14.
Page 283, line 19.
Page 283, line 24.
Page 284, line 5.
Page 284, line 11.

AMENDMENT NO. 2048

On page 70, line 2, strike out "compensation and".

On page 70, between lines 14 and 15, insert the following new paragraph:

"(3)(A) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(13) Special Representative for Trade Negotiations."

(B) Section 5314 of such title is amended by adding at the end thereof the following new paragraph:

"(60) Deputy Special Representatives for Trade Negotiations (2)."

On page 101, line 22, strike out "(60)" and insert "(61)".

AMENDMENT NO. 2050

On page 178, beginning with line 7, strike out through line 14 and insert in lieu thereof the following:

"(d) The Secretary is authorized to guarantee loans for—

"(1) the acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, and

"(2) working capital,

made to private borrowers by private lending institutions in connection with projects in trade impacted areas subject to the same terms and conditions to which loan guarantees are subject under section 202 of the Public Works and Economic Development Act of 1965, including record and audit requirements and penalties, except that—".

AMENDMENT NO. 2051

On page 216, line 15, beginning with "Within" strike out all through the period in line 22 and insert the following: "Within 30 days after a determination by the Secretary—

"(1) under section 201 of the Antidumping Act, 1921 (19 U.S.C. 160), that a class or kind of foreign merchandise is not being, nor likely to be, sold in the United States at less than its fair value, or

"(2) under section 303 of this Act that a bounty or grant is not being paid or bestowed,

an American manufacturer, producer, or wholesaler of merchandise of the same class or kind as that described in such determination may file with the Secretary a written notice of a desire to contest such determination."

On page 217, line 20, after "value" insert ", or under section 303 of the Tariff Act of 1930 that a bounty or grant is not being paid or bestowed".

On page 218, line 17, after "proceeding" insert the following: "Upon service of the summons on the Secretary of the Treasury or his designee in an action contesting the Secretary's determination under section 303 of the Tariff Act of 1930 that a bounty or grant is not being paid or bestowed, the Secretary or his designee shall forthwith transmit to the United States Customs Court, as the official record of the civil action, a certified copy of the transcript of all hearings held by the Secretary in the proceeding which resulted in such determination and certified copies of all notices, determinations, or other matters which the Secretary has caused to be published in the Federal Register in connection with such proceeding.".

On page 231, line 13, strike out "and".

On page 231, line 15, after "any," insert "and the special duty described in section 202 of the Antidumping Act, 1921 (hereinafter in this section referred to as 'antidumping duties'), if any,".

On page 231, line 21, after "duties" insert "or antidumping duties".

On page 232, lines 1, 8, 10, and 22, after "duties" insert "or antidumping duties".

On page 232, line 11, after "duty" insert "and antidumping duty".

On page 232, line 18, after the period insert the following: "For antidumping duty purposes, the procedures set forth in section 201 of the Antidumping Act, 1921, shall apply.".

On page 233, lines 3, 7, and 15, after "duties" insert "or antidumping duties".

AMENDMENT NO. 2049

(Ordered to be printed and to lie on the table.)

Mr. LONG (for himself, Mr. ROTH, and Mr. HARRY F. BYRD, JR.) submitted the following amendment intended to be proposed by them jointly to the bill (H.R. 10710), supra.

AMENDMENT No. 2049

On page 79, between lines 5 and 6, insert the following new paragraph:

(3) On the day on which an East-West Foreign Trade Board determination report is transmitted to the House of Representatives and the Senate under section 410(c)(4), an export disapproval resolution, if required under section 410(d)(1), with respect to such report shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and the minority leader of the Senate. If either House is not in session on the day on which such a report is transmitted, the export disapproval resolution with respect to such agreement report shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. The export disapproval resolution introduced in the House shall be referred to the Committee on Ways and Means and the export disapproval resolution introduced in the Senate shall be referred to the Committee on Finance.

On page 79, line 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 79, line 18, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 80, lines 5 and 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 80, line 7, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 80, lines 10 and 11, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 80, line 14, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 81, line 15, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 81, line 20, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 1, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, lines 2 and 3, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 12, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 16, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 22, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 83, line 4, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 83, lines 10 and 11, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 83, lines 18 and 19, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 83, line 24, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 264, between lines 18 and 19, insert the following:

SEC. 409. EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

The International Trade Commission shall establish and maintain a program to monitor imports of articles into the United States from nonmarket economy countries and exports of articles from the United States to nonmarket economy countries. To the extent feasible, the Commission shall coordinate such program with any relevant data gathering programs presently conducted by the Secretary of Commerce. The Secretary of Commerce shall provide the Commission with any information which, in the determination of the Commission, is necessary to carry out this section. The Commission shall publish a detailed summary of the data collected under the East West Trade Statistics Monitoring System not less frequently than once each calendar quarter and shall transmit such publication to the East-West Foreign Trade Board and to Congress. Such publication shall include data on the effect of such imports, if any, on the production of like, or directly competitive, articles in the United States and on employment within the industry which produces like, or directly competitive, articles in the United States.

SEC. 410. EAST-WEST FOREIGN TRADE BOARD.

(a)(1) There is established within the executive branch of the Government of the United States a board to be known as the East-West Foreign Trade Board (hereinafter referred to as the 'Board').

(2) The Board shall be composed of the Special Representative for Trade Negotiations, who shall serve as chairman, the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Agriculture, the Secretary of Interior, the Chairman of the Board of Governors of the Federal Reserve System, the President of the Export-Import Bank of the United States, the Chairman of the Federal Power Commission, the Administrator of the Energy Research Development Administration, and the Director of the National Science Foundation.

(3) Six members of the Board shall constitute a quorum.

(4) The Board shall have an official seal which shall be judicially noticed.

(5) The Chairman of the Board shall appoint and fix the compensation of such personnel as are necessary to fulfill the duties of the Board in accordance with the provisions of title 5, United States Code.

(6) The Board may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(7) In carrying out its responsibilities under this section, the Board shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of any agency of the United States. Each agency of the United States shall make available to the Board such personnel, facilities, and other assistance, with or without reimbursement, as the Board may request.

(b) The Board shall coordinate the policies and operations of all agencies of the United States which regulate or participate in trade with nonmarket economy countries or instrumentalities of such countries, including those agencies which provide credits or investment guarantees to such countries or instrumentalities. The Board shall also oversee the activities of persons within the United States who participate in trade with nonmarket economy countries or instrumentalities of such countries to encourage the expansion of such trade and to insure that such trade will promote the national interest of the United States.

(c)(1) Any agency of the United States which is involved in negotiations to provide credits or investment guarantees in an amount in excess of $5,000,000 to any nonmarket economy country or to any instrumentality of such a country, and any person who is involved in negotiations with respect to the export from the United States to such country or instrumentality of technology vital to the national security of the United States, shall file a report with the Board with respect to the provision of such credits or guarantees or the export of such technology, in the form and containing the information which the Board requires, not less than 90 days before such provision or such export.

(2) The Board shall provide an opportunity for interested parties to be heard, under the provisions of chapter 5 of title 5, United States Code, with respect to each report filed under the provisions of paragraph (1) and shall make a determination with respect to each report as to whether the proposed provision of credits and investment guarantees or export of technology will promote the national interests of the United States.

(3) No person may provide credits or investment insurance to any nonmarket economy country or to any instrumentality of such a country and no person may export technology to such a country or instrumentality if the Board determines under paragraph (2) that such provision or such export will not promote the national interest of the United States.

(4) Each determination by the Board under paragraph (2) shall be published in the Federal Register and shall be reported to the Congress. Such report shall include a statement of the impact of the provision of such credits or investment guarantees or the export of such technology on the national security of the United States, on the production in the United States of relevant articles, on employment in the United States in relevant industries, and on consumers in the United States.

(d)(1) If the Board determines under subsection (c) that the provision of credits or investment guarantees or the export of technology will promote the national interest of the United States, and if the dollar amount of such credits or guarantees exceeds $50,000,000, then no person may provide such credits or guarantees or export such technology if the Congress disapproves of such determination by the adoption of an export disapproval resolution (described in section 151(b)).

(2) For purposes of paragraph (1) and subsection (c)(1), if the total amount of credits and investment guarantees which an agency of the United States provides to all nonmarket economy countries and the in-

strumentalities of such countries exceeds $50,000,000, or $5,000,000, as applicable, during a calendar year, then all subsequent provisions of credits or investment guarantees, in any amount, during such year shall be subject to Congressional disapproval under this subsection or shall be reported to the Board, as applicable.

(e) The East-West Foreign Trade Board shall submit to the Congress an annual report on trade between the United States and nonmarket economy countries. Such report shall include a review of the status of negotiations for bilateral trade agreements between the United States and such countries under title IV of this Act, the activities of joint trade commissions created pursuant to such agreements, the resoluton of commercial disputes between the United States and such countries, any exports from such countries which have caused disruption of United States markets, and recommendations from the promotion of East-West trade in the national interests of the United States.

On page 75, line, 18, immediately after the comma, insert the following: "export disapproval resolution described in subsection (b)(4)".

On page 77, between lines 9 and 10, insert the following:

(4) The term "export disapproval resolution" means only a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: "That the Congress disapproves the determination of the East-West Foreign Trade Board with respect to the following proposed provision of credits or investment guarantees or export of technology as stated in the report transmitted by the Board to the Congress on ———. ", the first blank space being filled in with the proposed provision of credits or guarantees or export of technology involved and the second blank being filled in with the appropriate date.

AMENDMENT NO. 2052

(Ordered to be printed and to lie on the table.)

Mr. MONDALE submitted an amendment intended to be proposed by him to the bill (H.R. 10710), supra.

AMENDMENT NO. 2053

(Ordered to be printed and to lie on the table.)

Mr. McINTYRE submitted an amendment intended to be proposed by him to the bill (H.R. 10710), supra.

AMENDMENT NO. 2054

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY (for himself, Mr. KENNEDY, and Mr. McINTYRE) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 10710), supra.

AMENDMENT NO. 2055

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY (for himself, Mr. EAGLETON, Mr. McINTYRE, and Mr. SYMINGTON) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 10710), supra.

Mr. HATHAWAY. Mr. President, to begin, I want to commend the Senate Finance Committee and especially its chairman, Mr. LONG, for the admirable job they have done drafting a revised version of Trade Reform Act of 1974. This major piece of legislation will have far-reaching effects to the promotion of trade on a worldwide scale and I think that the bill as reported out of the Finance Committee contains provisions which are a great improvement over provisions we have seen from the administration and the House.

However, I have some substantial problems with the sections dealing with countervailing duties, and I offer two amendments which I feel will materially improve this section.

First, the committee version of the bill strengthens the countervailing duty statute to insure that a determination will be made within a year's time on any petitions filed on countervailing duties. However, at the end of that year, if the bill passes as it is currently written, the Secretary of the Treasury would not be required to actually impose those duties for another 2-year period from the date of enactment of this act. The committee bill requires that the Secretary make a tentative finding within 6 months from the date the petition is filed. He has another 6 months, after he had made this initial determination, to negotiate some form of relief for the industry being adversely affected, or convince the country to stop this illegal practice. It seems to me that if after a full year of investigation and negotiation, the Treasury Department is unable to come to some form of agreement with an offending country, that country should not be allowed to continue its illegal practice or practices to the detriment of a domestic industry for another 2 years. How long should we force a domestic industry to suffer when it is already established that a country is engaging in practices explicitly prohibited in the language of the countervailing duty statute?

To cite an example of the sort of runaround that can occur, even under the current statute which contains considerably tougher provisions in this regard than the present version of the bill, the American Footwear Industries Association filed a petition alleging the existence of bounties or grants on footwear exports from Argentina, Spain, and Brazil in 1973. After almost a full year of inaction on the part of the Treasury Department, this association had to file a writ in the nature of mandamus to force the Secretary of the Treasury to initiate investigations based upon these petitions. Only after the association was successful in this suit did Treasury act, and countervailing duties have been imposed for Spain and Brazil. The Argentine matter is still pending, and the delay in this case convinces me that discretionary authority should be eliminated in this section of the bill.

In July of this year, Treasury finally began its negotiation with the Argentine Government on its system of subsidies to its footwear firms. In October, when it became apparent that Treasury was about to impose a 26 percent countervailing duty, the Argentine Government informed Treasury that it had eliminated the major type of bounty to its footwear exporters. A month later, Treasury learned that this grant had in fact not been eliminated, but that the Peron government fully intended to effect this change by December 12, 1974. I, for one, still do not know whether this bounty has been eliminated—and may not know for several more months—since the Peron government states that it intends to set up a new mechanism for the promotion of exports but no one seems to have the details on how it will operate and whether or not it will truly eliminate subsidies.

I feel that we should not allow foreign governments who are admittedly engaging in illegal practices to get away with this sort of masquerade at the expense of one of our own already-suffering industries.

We lend respectability to such bounties and grants by allowing the systems to operate at all, even during the period of negotiations. Further, proper enforcement of the countervailing duty law is more likely to lead to meaningful international agreements on export subsidies that nonenforcement, for the simple reason that there will be little inducement for those of our trading partners who engage in such subsidy practices to negotiate seriously.

For these reasons, my amendment proposes that the 2-year discretionary authority in this section be eliminated and the bill made to conform with the present legislation.

I also propose that the Senate carry through with its express desires to have a hand in the negotiating of international agreements by requiring that if and when an international countervailing duty code is established, it be subjected to a majority vote of both houses There are provisions throughout this bill that we take such affirmative action, and this area is one which should receive the same consideration by the Congress.

Secondly, as I mentioned, in the section on countervailing duties, title III, the committee has inserted provisions setting mandatory time limits for the completion of investigations on countervailing duty petitions. This provision was desperately needed, because as the report accompanying the Finance Committee bill points out:

The Treasury Department has used the absence of time limits to stretch out or even shelve countervailing duty investigations for reasons which have nothing to do with the clear and mandatory nature of the law.

However, while such time limits are imposed on cases filed after the date of enactment of this act, cases now filed at the Treasury Department are still subject to the possibility of further delays in their conclusion. The report accompanying this bill contains the following specific language:

In the case of any investigation which was initiated prior to the date of enactment of this bill, the six-month and one-year time limitations set out in the new section 303 (a)(4) would apply as if those existing investigations had been initiated by the Secretary on the day after the date of enactment of this bill.

What this means is that cases now filed at Treasury, regardless of how long they have been in progress, could now have to wait for another full year before completion. There are four cases under active consideration at Treasury, not to mention at least a dozen complaints filed

which have not had a notice of proceeding published in the Federal Register. Some have been under investigation for 2 years or more. Should these cases have to wait for another full year—at the further expense of the domestic industry being harmed by the illegal subsidies? I think not.

My second amendment proposes that these cases be completed within 6 months from the date of enactment of this bill. If the new bill establishes a 1-year time limit for cases not even filed, why should it allow these pending cases to drag out for another extended period?

Further, in all fairness to the petitioners, these cases should also be handled under the terms of the countervailing duty statute as embodied in the Tariff Act of 1930, and not under the Trade Reform Act of 1974. My amendment would provide that the provision allowing the waiver for up to 2 years of countervailing duties otherwise required—303(d)(2)—would not apply to these cases already filed.

I ask unanimous consent that the text of these amendments be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2054

Intended to be proposed by Mr. HATHAWAY, Mr. KENNEDY, and Mr. MCINTYRE, H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States and for other purposes, viz:

Strike everything between page 228, line 21, and page 231, line 4, and insert in lieu thereof the following:

"(d) INTERNATIONAL NEGOTIATIONS.—(1) It is the sense of the Congress that the President, to the extent practicable, and consistent with United States interests, seek through negotiations the establishment of internationally agreed rules and procedures governing the use of subsidies (and other export incentives) and the application of countervailing duties.

"(2) No trade agreement or international code negotiated pursuant to subsection (d)(1) shall enter force unless approved by majority vote of the House of Representatives and the Senate.

H.R. 10710

AN AMENDMENT

Intended to be proposed by Mr. HATHAWAY, Mr. EAGLETON, Mr. MCINTYRE, and Mr. SYMINGTON, H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

On page 226, line 11, strike the period and insert the following:

, except that he shall make such final determination within six months of the date of the enactment of this Act for those petitions filed with him prior to December 1, 1974, if no such determinaton was made by him as of such date. The provisions of section 303(d)(2) of this Act shall not apply in those cases where petitions were filed prior to December 1, 1974, and for which no determination was made as of the date of such enactment.

AMENDMENT NO. 2056

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER submitted an amendment intended to be proposed by him to the bill (H.R. 10710), supra.

AMENDMENT NO. 2058

(Ordered to be printed and to lie on the table.)

Mr. COTTON submitted an amendment intended to be proposed by him to the bill (H.R. 10710), supra.

AMENDMENT NO. 2060

(Ordered to be printed and to lie on the table.)

TOTAL FARM TRADE NEGOTIATIONS

Mr. DOLE. Mr. President, I submit today an amendment intended to be proposed to the Trade Reform Act (H.R. 10710) in order that the amendment may be printed and placed on the table.

This amendment is intended to clear up an ambiguity in the bill regarding trade negotiations on farm commodities. Exports of farm commodities have been one of the few bright spots in our foreign trade picture. Exports of farm commodities have made a very substantial contribution to keeping a relatively positive balance of trade which is so important for reducing the rate of inflation we are experiencing. Farm exports are vitally related to the well-being of our national economy. The amendment I am introducing would facilitate keeping farm exports at a level beneficial to the health and strength of our economy.

OFFSET OIL IMPORTS

In fiscal year 1974 agriculture exports reached a record level of over $21 billion that meant a surplus in agriculture trade of about $12 billion. The cost of oil imported into this country exceeded $20 billion in the first 10 months of 1974. That cost has been a major impetus to inflation in this country. Our national oil bill increased by over $12 billion this year over last and had it not been for this increase, the $21 billion in farm exports would have more than offset our oil imports by a healthy margin.

In fiscal year 1973 our agricultural trade had a surplus of $9.3 billion. That surplus exactly offset the $9.3 billion in oil imports into this country. Because farm exports offset oil imports in fiscal year 1973, we enjoyed a trade surplus of $1.7 billion overall.

Clearly we need to maintain a high level of agricultural exports in order to reduce the deficit in our balance of trade resulting from oil imports. Although we are making every effort to reduce oil imports, every estimate I have seen shows a continuing dependence on foreign oil for some time to come. The high level of farm exports this year have kept our trade deficit from becoming even greater. We must make every effort to keep our agricultural exports at a high level and that is why I am submitting this amendment today.

ADVANTAGE OF FREER TRADE

The basic objectives of the Trade Reform Act are set forth in section 2 the statement of purposes in the bill. These objectives can be attained only if the nations participating in the upcoming round of multinational trade negotiations are convinced that an international trading system based on comparative advantage offers maximum opportunities for obtaining economic benefits for the peoples of all nations. Under such a system, each country will export those industrial and agricultural commodities which it can produce efficiently and in volume and will receive from other countries those commodities which the other countries have a comparative advantage in.

Adherence to this basic economic principle can result in an expansion of international trade that will be mutually advantageous to all nations.

SECTOR NEGOTIATIONS LIMITED

Expansion of agricultural exports offers our country its greatest opportunity to improve our balances of trade and payments and to meet the increased cost of imports of petroleum and other essential raw materials now in short supply. It is essential to our national interests that agriculture not be separated from industry during the upcoming negotiations.

There are few opportunities for gaining trade concessions on our agricultural exports by granting comparable concessions on our agricultural imports. There are several reasons for this.

First, we have already reduced most restrictions on our imports of foreign agricultural commodities. Because we have already lifted these restrictions, we have few opportunities to make concessions to other nations by further reducing restrictions on foreign imports. We have in effect given away most of our bargaining chips in this area already. Because we have few concessions left to give, negotiations limited strictly to the agricultural sector will hardly offer much promise of gaining expansion of agricultural exports that we so greatly need.

Second, we have no direct subsidies or rigid quantitative controls on commercial export shipments of agricultural commodities. While export subsidies might be beneficial to our farm commodity export position, all subsidies were phased out when farm exports increased last year. That means we have no trade distortions of these kinds to place on the negotiating table and this would be a further restriction to expanding our agriculture exports if our negotiators are restricted to a sector-by-sector negotiating basis.

Commercial exports of our agricultural commodities are confronted by foreign import barriers of great multiplicity and magnitude. The trade bill contains authority for the President to reduce these tariff and non-tariff barriers. However, that can best be accomplished by negotiating on a multisector basis as opposed to a sector-by-sector basis.

Finally, our domestic agriculture possesses tremendous competitive strength in terms of ability to supply large quantities of many of the commodities in world trade. For our country, this is a national asset, but some countries, for political or other reasons, wish to remain largely self-sufficient in food production. This further increases the difficulty of expanding our agriculture exports. If restricted to a sector-by-sector ap-

proach, our negotiators will be less successful in overcoming these obstacles than if permitted to a multisector approach.

The bill we reported out of the Senate Finance Committee provides many substantial improvements over the language in the House-passed bill. The Senate Finance Committee report further improves the intent of this language. However ambiguity remains. On December 3, Ambassador Malmgren, deputy special representative for trade negotiations, made it clear in a meeting with farm representatives that practically any manufacturing industry could be isolated for negotiations on a sector basis, if it so desired. Such an interpretation of the law could result in negotiations on agriculture commodities being restricted to that sector alone. This could be disastrous for expansion of our agricultural exports and ultimately for the economy as a whole.

Section 103 provides flexibility for negotiation in order to expand agricultural trade in a meaningful manner. Yet section 104, immediately following, seems to contradict the previous section by requiring that negotiations be conducted to the extent feasible on a sector-by-sector basis. My amendment would insure that section 104 is consistent with section 103 by simply inserting the phrase "and consistent with the provisions of section 103". This minor change would insure that the provisions within the bill are consistent with each other.

The minor change in the bill that I am proposing should be noncontroversial. I hope we can accept this amendment to the Trade Reform Act.

Mr. President, I request unanimous consent that the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2060

On page 25, line 10, delete the comma following the word "feasible" and insert therefor "and consistent with the provisions of Section 103,".

STANDBY ENERGY EMERGENCY AUTHORITIES ACT—S. 3267

AMENDMENT NO. 2057

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY submitted an amendment intended to be proposed by him to the bill (S. 3267), to provide standby emergency authority to assure that essential energy needs of the United States are met and for other purposes.

AMENDMENT NO. 2062

(Ordered to be printed and to lie on the table.)

Mr. HART. Mr. President, it is my understanding that Senator BUCKLEY may offer his amendment which would deregulate the wellhead price of natural gas to S. 3267, Standby Energy Emergency Authorities Act.

Therefore, I would like to introduce as a proposed amendment my measure which would allow such deregulation for all but the top 20 oil companies and require divestiture by these companies.

As I have suggested before, it would appear to be irresponsible for Congress to lift governmental regulation without some assurance that the market was capable of giving consumers adequate supply at competitive prices. We do not have such a market today.

The offering of this amendment should not be interpreted as an attempt to delay passage of S. 3267. It will be called up only if the Senator from New York calls up his deregulation proposal.

Mr. President, I ask unanimous consent that the amendment be treated as though it were presented and read in order to comply with the second paragraph of rule XXII, if cloture be invoked on the bill or any amendments thereto. And I further ask unanimous consent that the amendment lie on the table and be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

LAND AND WATER CONSERVATION FUND ACT—S. 3839

AMENDMENT NO. 2059

(Ordered to be printed and referred to the Committee on Interior and Insular Affairs.)

Mr. JAVITS. Mr. President, I introduce an amendment to S. 3839, the Land and Water Conservation Fund Act, which would allow the National Park Service to accept property for the Franklin D. Roosevelt National Historic Site which is adjacent to the original Hyde Park property but was not part of that property.

I ask unanimous consent that the amendment be printed in the RECORD together with a statement from the Park Service describing the property.

There being no objection, the amendment and statement were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2059

At the end of the bill add a new section as follows:

SEC. ——. FRANKLIN D. ROOSEVELT NATIONAL HISTORIC SITE.

The first sentence of section 301 of the Joint Resolution approved July 18, 1939 (53 Stat. 1062), is hereby amended to read as follows:

SEC. 301. The head of any Executive Department may accept for and in the name of the United States, title to any part or parts of the said Hyde Park Estate and title to any contiguous property or properties located in the Town of Hyde Park, Dutchess County, State of New York, which shall be donated to the United States for use in connection with any designated function of the Government administered in such Department.

HOME OF FRANKLIN D. ROOSEVELT NATIONAL HISTORIC SITE, HYDE PARK, N.Y.

The National Park Service desires to be responsive to Mr. Gerald Morgan, Jr., of Richmond, Virginia in his offer to donate certain lands and buildings for use in conjunction with the Home of Franklin D. Roosevelt National Historic Site. Under present law, Joint Resolution 118 of July 18, 1939, lands that were formerly a part of the estate of Franklin D. Roosevelt may be accepted as donations. Of the approximate 68 acres Mr. Morgan offered to donate, 52 acres have been accepted by the National Park Service and added to the site. Congressional authorization is needed, however, to accept the approximately 16 acre portion of the property which contains the buildings and is the prime road frontage property since these lands were never a part of the Franklin D. Roosevelt estate.

The National Park Service has developed a draft Master Plan for the historic site. It contains a number of recommendations and suggested uses for the property which justify acquisition. Public meetings on this proposed plan and its Environmental Impact Statement were held on July 31, 1974 in Hyde Park, N.Y., and there was no public opposition to the suggested acceptance of the donated lands. A Final Environmental Statement is now being prepared.

Under the Master Plan, the Morgan property will contain a parking area—thus removing this intrusion from the home environs—and a visitor facility to provide an effective introduction to the home and the library.

The mansion, "Bellefield," and the outbuildings on the Morgan property will be adaptively restored and will accommodate administrative and maintenance functions for both the Roosevelt Home and the Vanderbilt sites, resulting in greater efficiency of operation. Some library functions will take place in the mansion, with opportunities for local and regional organizations to use it and the grounds under appropriate agreements.

The principal structure is a large three-story mansion of 30 rooms, with basement and 12 baths, fronted by a sweeping circular drive and flanked on the south by a formal garden. The central portion of the mansion was built in 1790, and the first-floor rooms are elegant and spacious. Later additions occurred in 1918.

Other buildings on the property are two two-car garages, built in 1918. Next to the garages is a storage shed, about 1930, and a short distance away is an eight-room, two story stone house.

The character of the land is similar to the National Historic Site, with meadows spreading back from Albany Post Road to encompass the buildings, then steep terrain pitching down to the river.

The Morgan estate will make possible the graceful reception of visitors, and preparation for their visit with the least intrusion on the site. The existing historic site parking area and ticket booth will be removed and the historic vegetable garden re-established thus assuring better preservation of the historic environs.

SOCIAL SERVICES AMENDMENTS, 1974—H.R. 17045

AMENDMENT 2061

(Ordered to be printed and referred to the Committee on Finance.)

Mr. EAGLETON submitted an amendment intended to be proposed by him to the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1996

At the request of Mr. MOSS, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Nevada (Mr. BIBLE), the Senator from Tennessee (Mr. BROCK), the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from Florida (Mr. GURNEY), the Senator from Maine (Mr. HATHAWAY), the Senator from Iowa (Mr. HUGHES), the Senator from Washington (Mr. MAGNUSON), the Senator

which they can abandon themselves to hedonistic pursuits.

Mr. PASTORE. May we have order, please? We would like to hear this.

The PRESIDING OFFICER. The Senate will please be in order.

Mr. ROBERT C. BYRD. Mr. President, it would be my intention to take up the energy bill at this time, and there may be rollcall votes on amendments thereto. I do not know how long this afternoon that measure will remain before the Senate. It is quite possible that it will be set aside later in the afternoon when we would take up the Eximbank amendment conference report.

There could be other conference reports.

It may very well be the desire of the chairman of the Finance Committee to return to the unfinished business during the afternoon, in which event the trade bill would be called back up.

I can only say with reference to the rest of the day that there is a posibility of rollcall votes.

On tomorrow, the Senate will meet at the hour of 9 o'clock a.m. At 9:30 a.m., the Senate will go into executive session to debate the nomination of Melvin A. Conant, to be Federal Energy Administration Assistant Administrator. There will be 1 hour of debate on that nomination, but the vote, which will be a rollcall vote, will not occur at that point.

At 10:30 a.m., the 1 hour under rule XXII for debate on the motion to invoke cloture on the trade bill will begin running.

Mr. HUGH SCOTT. At what time?

Mr. ROBERT C. BYRD. At 10:30.

At 11:30 a.m. that hour would expire. The automatic quorum call would occur, and at about 11:45 a.m. a rollcall vote, which is automatic under the rule, would occur on the motion to invoke cloture on the trade bill.

Immediately after that vote, the vote which was originally set up for 10:30 a.m. tomorrow on final passage of the OEO bill will occur, back-to-back behind the cloture vote.

Immediately after the vote in passage of the OEO bill, a back-to-back vote will occur on the nomination of Mr. Conant.

If the motion to invoke cloture on the trade bill carries, that means that after those three back-to-back votes, the Senate would transact business on the trade bill to the exclusion of all other business until that bill is disposed of one way or the other.

Mr. HUGH SCOTT. No intervening business, according to the rules?

Mr. ROBERT C. BYRD. That is right. But if the motion to invoke cloture on the trade bill fails, this means that immediately back of the three consecutive votes a fourth back-to-back rollcall vote would occur, that being on the motion to invoke cloture on the amendment by Mr. HUGH SCOTT to the conference report amendment in disagreement, No. 17.

If that vote should carry, then for the rest of tomorrow the business would be on that particular item.

Mr. HUGH SCOTT. Senators are requested to synchronize their watches.

Mr. ROBERT C. BYRD. Yes.

All back-to-back votes after the first vote will be 10-minute rollcall votes.

For Saturday, I want to apologize to Senators for the necessity of a Saturday session.

Mr. HUGH SCOTT. This is where we get to synchronize our calendars.

Mr. ROBERT C. BYRD. Maybe.

Senators will recall that on December 3 in my whip notice I indicated that there likely would be Saturday sessions this week and next. On Tuesday of this week I asked Senators to anticipate a Saturday session this week, and I said later that a session this coming Saturday "is a must."

Mr. President, I do not like Saturday sessions, but the other body is going to adjourn on the 20th day of this month. We have a good bit of controversial legislation that we are going to have to dispose of one way or the other: the trade bill, the military construction appropriation bill, the Eximbank conference report, various other conference reports, and the supplemental appropriation bill conference report.

The Senate can defeat any of these, if it is the wish of the Senate to do so.

I think it would look bad on the Senate if we did not come in Saturday and fail, in the end, to transact this business. I think that only by coming in Saturday can we hope to complete the business.

May I point to this fact: If cloture is invoked on the trade bill, that bill still has to go to conference. If Senators are determined to try to defeat that conference report, it will be necessary to try to invoke cloture on the conference report.

I am going to present cloture motions at this time on both of those measures. In the event cloture is not invoked tomorrow on the trade bill, there will be another vote on Saturday on the motion to invoke cloture on the trade bill.

If we are unable to invoke cloture on the conference report on the supplemental appropriations tomorrow, there will be a vote on Saturday on the motion to invoke cloture thereon.

I am personally opposed to the amendment by Mr. HUGH SCOTT. I may vote against the trade bill. But it is not for one man to try to impose his judgment on the Senate. My duty, as I see it, is to try to get a consensus here, and then I can vote my own personal wishes, if we can reach a vote. But I feel a responsibility to try to get both measures to a vote.

Mr. HUGH SCOTT. On that point, I want to say that the Senator is acting uberrimae fidei—in the utmost good faith. He has made these announcements about Saturday. We have advised Senators of the Saturday session, of the danger or possibility of a session a week from Saturday. I know that some Senators have canceled out-of-town engagements to remain here on Saturday, and therefore, the accommodation of Senators who do not want a Saturday session runs smack against the accommodation of those who have canceled engagements.

I think the leader can only do what he thinks is right, and that is what he is doing.

The Romans had a saying, "Carpe diem"—"seize the day." So let us seize Saturday or be seized of it.

I thank the distinguished acting majority leader.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PASTORE. Did I correctly understand the acting majority leader to say that if we in fact do invoke cloture on the trade bill tomorrow, there will be a Saturday session, nonetheless?

Mr. ROBERT C. BYRD. Yes, because the Senate then should work its will on the trade bill on Saturday, because there still would be a heavy workload ahead.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. What are the special orders for tomorrow?

Mr. ROBERT C. BYRD. None.

Mr. TOWER. Would it be possible for the Senator from Texas to give consent for 15 minutes tomorrow morning?

Mr. ROBERT C. BYRD. Yes, indeed.

Mr. TOWER. I would appreciate it if the acting majority leader would ask for it.

ORDER FOR RECOGNITION OF SENATOR TOWER TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the leaders or their designees have been recognized under the standing order tomorrow, the Senator from Texas (Mr. TOWER) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR AMENDMENTS TO H.R. 10710 TO BE CONSIDERED AS HAVING MET THE REQUIREMENTS OF RULE XXII

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that amendments No. 2036, 2037, and 2038, in connection with the Trade Reform Act, which I sent to the desk yesterday and which have been printed, be considered as having been read, to meet the requirements of rule XXII, should cloture be invoked, or in connection with H.R. 10710, the Trade Reform Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRADE REFORM ACT OF 1974—CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER (Mr. BARTLETT). The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate hereby move to bring to a close the debate upon the bill H.R. 10710, an act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate

the economic growth of the United States, and for other purposes.

Edward W. Brooke, Adlai E. Stevenson, III, Lee Metcalf, Edward M. Kennedy, Charles McC. Mathias, Jr., Howard M. Metzenbaum, Daniel K. Inouye, Charles H. Percy, Quentin N. Burdick, Paul J. Fannin, Clifford P. Case, Jacob K. Javits, Robert T. Stafford, Gaylord Nelson, Alan Cranston, Robert C. Byrd, and Henry M. Jackson.

SUPPLEMENTAL APPROPRIATIONS, 1975—CONFERENCE REPORT

CLOTURE MOTION

Mr. HUGH SCOTT. Mr. President, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, I offer at this time a cloture motion and send it to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

Mr. GOLDWATER. Mr. President, reserving the right to object, while I know that this procedure falls within the rules, particularly under unanimous consent, I have to register my protest, as one Senator, for the way we are conducting business.

We are asking cloture on a bill that, to my mind, has not even been called before the Senate. As I say, it is not in violation of any rule, but I think it is a highly improper way to conduct the business of the Senate. If it were any other time of the year, other than the time facing Christmas, when all of us would like to get home, I would object. I just want the leadership on both sides to know that this Senator resents this seeming breach of the conduct of the Senate.

Mr. ROBERT C. BYRD. Mr. President, may I say to my distinguished friend, the Senator from Arizona, that the trade bill was laid before the Senate on December 5 and was made the unfinished business.

Mr. GOLDWATER. I have not heard any debate on it. I do not know that there is a stalling motion going on. I have not sensed any filibuster. It might develop. But this idea of calling for the end of a filibuster when we are not having a filibuster is like asking for the end of Christmas when we have not yet come to Christmas.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. Mr. President, the purpose is not to limit debate. The purpose is to control the germaneness of the amendments.

There are a number of Senators—I do not blame them—who have provisions that are perfectly good amendments which have a majority support in the Senate. One Senator has a proposal, which I would vote for, to put a large amount of taxes on the profits that companies make in their foreign oil operations. I would like to vote for that.

Mr. PASTORE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Will the Senator withhold until we can have the reading of the cloture motion?

The clerk will state the cloture motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending amendment by the Senator from Pennsylvania (Mr. Scott) to House amendment No. 17 to H.R. 16900, the Supplemental Appropriation Bill for 1975.

Alan Cranston, Jacob Javits, Robert T. Stafford, Robert Taft, Jr., Howard M. Metzenbaum, Quentin N. Burdick, Gaylord Nelson, Ted Stevens, Abraham Ribicoff, Floyd K. Haskell, Pete V. Domenici, Clifford P. Case, Bob Packwood, James Abourezk, Harrison A. William, Jr., and Henry M. Jackson.

Mr. HUGH SCOTT. Mr. President, a parliamentary inquiry—and I make it simply for the purpose of making clear that the cloture motion which I sent to the desk has nothing to do with the trade bill. It refers to other matters on which we have had debate and on which votes have been cast. I, therefore, withdraw my parliamentary inquiry.

The PRESIDING OFFICER. The Senator is correct.

TRADE REFORM ACT OF 1974

Mr. LONG. Mr. President, to continue what I was saying, another Senator has an amendment for which I would like to vote. It would deregulate new natural gas, so as to make more gas available. I am for that amendment. I will vote for it, and I will try to help pass it in the days remaining, but not on this bill, or this bill will go down the drain. I promised the Senator that I would do what I could to help him with his proposal, if we get cloture and keep it from this bill.

Some people fought for the Consumer Protection Agency bill and want to put it on this bill. They say, "We will vote for the trade bill if you vote for the Consumer Protection Agency bill." Then someone will come in and say, "They killed the Genocide Treaty with a filibuster. I am willing to vote for the trade bill, on the condition that you help pass our genocide provision as an amendment to the trade bill." They will want to put that on the bill.

The reason why I am seeking cloture is to limit amendments to germane ones, not to shut off debate. The leadership stated that if we can get cloture, we will be glad to support unanimous consent for everybody to have such time as he needs and to explain his views.

The problem is not the 12- and 24-hour speeches. The problem is trying to stay by a germaneness arrangement so that the bill can come to a vote.

Mr. PASTORE. Mr. President, I think the Senator from Arizona is perfectly right in contending that it is an apparent abuse of rule XXII. Naturally, technically speaking, we are trying to shut off debate before debate starts.

Realizing this, some months ago, I submitted a proposal—it is now languishing before the Committee on Rules and Administration—to change the rule, whereby at any time that any pending business is called up, any Senator can move that all amendments remain germane to that particular bill. If two-thirds of the body approve the motion, then it must remain germane. In that instance, we would not have to go through this abuse of filing a motion to bring debate to a conclusion before debate begins, because that is what the rule says—debate shall be brought to a close. Nothing is being brought to a close, because it has not even started.

That proposal has been before the committee for 10 months, and no one has paid attention to it. I hope the time will come when they will do something about it in order to expedite the business of the Senate.

My experience has been that many worthy amendments that are nongermane are subject to a point of order in the House, and sometimes we waste a whole week in debating an amendment that is nongermane. It has a very attractive appeal. It is like the 11th commandment—you cannot vote against it only to find that it will not last 5 minutes in conference, and we waste the time of the Senate.

I think that when we have an important measure to which we should adhere, then we ought to have a nongermane rule if two-thirds of the body agree with it. I do not know why we do not do something about that rule.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. LONG. I yield to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. I should like to discuss the point made by Senator PASTORE. The resolution on the rule to which he has referred was introduced in my subcommittee. I favored the resolution, and I hoped to give some attention to that resolution this year, had it not been for the fact that for several months during this year, we were anticipating a possible impeachment trial of the President of the United States. I and other members of that Committee on Rules, the subcommittee on which Senator GRIFFIN sits and on which Senator CANNON sits, were tied down for months on end, studying and researching the precedents on impeachment trials.

Then, following that, there came the Rockefeller nomination, and we had to give several weeks of intense study to that nomination.

I make this explanation by way of apology to the distinguished Senator. I do support his amendment, but I thought he was entitled to an explanation. Inasmuch as the matter had been mentioned on the public record here, I thought the public record ought to show why that subcommittee has not been able to get to that very desirable resolution.

Mr. PASTORE. I have nothing against the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. I understand.

Mr. LONG. Mr. President, I think the Senator knows that the Senator from Louisiana has nothing against the Christmas tree bill. I was the first Senator to be in favor of the first Christmas tree bill in the Senate, which was the one to put the dollar checkoff in effect. That will also give us a depletion allowance on oyster shells, and there were

a lot of other things in that first Christmas tree bill.

I also know that there is only so much controversy a bill can stand. Beyond that point, the bill will never become law. I have already met with the Democrats in the Democratic Caucus and pointed out that if we hope to pass this trade bill, we are going to have to keep the amendments to the bill germane. At that point, it came about that one of our Democratic Members indicated that he would object to that. He had some amendments in the nature of a tax reform which he would be determined to offer on this measure and bring to a vote.

The point is, if one Senator is going to take the view that he have a good amendment which is not germane to this bill but is sufficiently worthy of consideration that he will insist on fighting to put it in the bill, and other Senators follow the same example—and I do not blame them for doing so—then this bill cannot pass.

The Senator from Arizona was here when we passed the Civil Rights Act of 1964. I am sure that the Senator recalls that some of us who were opposed to that bill at that time succeeded in carrying on that debate for 10 days after cloture had been voted on in the Senate, even though the Senate was meeting at 9 o'clock in the morning and working until midnight. That is all the time it takes to kill this bill that we are working on now.

The practical aspect of it is that the bill just cannot be passed unless we can limit debate to germane amendments. I do not think anybody plans to keep the Senate in session around the clock making long speeches. The problem is keeping the debate germane.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. LONG. Yes, I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I think that the Senator from Arizona raised a very important point, one with which I feel a great deal of sympathy. I have some reluctance to vote for cloture under the conditions cited by the Senator from Arizona.

On the other hand, I recognize the problem which faces the chairman of the Committee on Finance. The first hearing on this legislation, which has passed the House, was held, as I recall, on March 7, a public hearing on the trade bill before the Committee on Finance. The Committee on Finance has been working on this measure ever since then, until it was reported to the Senate floor several weeks ago.

As I understand it from the Senator from Louisiana, the purpose is not to deny any Senator the right to speak to the extent he wishes to speak, and the Senator from Louisiana and other supporters of the trade bill, of which the senior Senator from Virginia is one, would not object to a unanimous-consent request for every Senator to have additional time, over and beyond the hour to which he is entitled under the rules. But the purpose, as I understand it, is to prevent nongermane amendments from being added to a very important bill during the last few days of the session.

I say again that I am not sure exactly how I shall vote on cloture. I am sympathetic with the point raised by the Senator from Arizona, but I am also sympathetic with the position in which the chairman of the Committee on Finance finds himself, and also the position in which the Senate finds itself, because this is a very important piece of legislation.

Mr. LONG. Mr. President, if anybody is going to need more than 1 hour on this trade bill, it is going to be the Senator from Louisiana. As the manager of this bill, I think that he is one who understands it as well as perhaps anybody, with the possible exception of the Senator from Utah (Mr. BENNETT). But there is no doubt whatever in my mind that the bill simply cannot be passed unless we can limit ourselves to germane amendments.

Knowing the problems that exist, I am thoroughly convinced that a vote against cloture, once it becomes clear that the bill cannot pass without cloture, is a vote to kill the bill. It is not that Senators, of course, might not vote against cloture for every good reason. Even though they might want the bill, they might not understand that we cannot pass this bill without cloture, because it will pick up amendments which will bring more and more controversy into the scope of the legislation, until we simply do not have the capacity to bring the bill to a vote.

Mr. HARRY F. BYRD, JR. Will the Senator yield again?

Mr. LONG. Yes.

Mr. HARRY F. BYRD, JR. For purposes of clarification, if a Member of the Senate wished additional time, over and beyond the hour to which he is entitled, is it correct that the Senator from Louisiana would urge the Senate to comply with such a request?

Mr. LONG. I would certainly ask for an extension of time, with the condition that if somebody on the other side disagreed with him, they, too, should have the same amount of time, as we do with a traditional unanimous-consent request.

Mr. GOLDWATER. Will the Senator yield?

Mr. LONG. Yes, I yield.

Mr. GOLDWATER. I understand the dilemma that the chairman finds himself in. I think this could have been anticipated months ago, but I was particularly interested in what the distinguished Senator from Rhode Island said relative to germaneness. I think this is a rule that we badly need in this body.

I see my friend from Indiana sitting over there. He, every year, puts in a recomputation amendment to the military authorization bill, and we go to conference, and the House says it is not germane, and out it goes.

We spend a lot of time, we waste a lot of time in this body debating and arguing about amendments that have what I call a lot of political sex appeal, but we are only kidding the public when we debate them, because we have the knowledge in the back of our heads that it is not going to live through the House and Senate conference.

I hope that the Senator from Rhode Island will reintroduce his resolution for a rule change next year, and I shall either speak for it or against it, whichever will do the most good, because I think it is something that we need in this body, to stop what I call ridiculous, unneeded amendments that are going absolutely no place and will have the chance of killing a needed piece of legislation.

Mr. PASTORE. Will the Senator yield?

Mr. LONG. Yes, I yield.

Mr. PASTORE. I have been here now going on my 25th year. I must say that one of the most frustrating things in the Senate is the way we conduct its business. I believe in the rule of nongermaness. I think that is one of the bulwarks of the Senate.

But every once in a while we have to recognize that a bill comes up here and, because Senators know it is an important bill, they figure this is the one to make a Christmas tree out of and we go on ad infinitum attaching these amendments that no one can afford to vote against only to have them cast aside in conference.

Every principle that the Senator from Indiana talked about last night I will vote with him on when it comes up, and if he has a chance to put it on this bill I could not go home unless I voted for it.

All I am saying is, why waste the time of the Senate, when we know the minute it gets over on the other side on a point of order it will be knocked out? We spend, sometimes, a whole week debating on an amendment that is knocked out within 2 minutes in conference.

It looks as though we are driving for a headline more than a result. Mr. President, I say the time has come to realize we are living in a computerized age. Here we are almost within the octave of Christmas, and we cannot even finish the necessary business. This is a bad reflection on the Senate.

That is what we are doing. That is the reason why the Senator from Vermont stood up the other day and said we ought to take a cut in pay. You know, that would be a popular thing in this country. If we had a referendum on it, I do not think there would be two votes against it.

We have to modernize our procedures here. I do not say we have to be germane on every bill. All I am saying is, if it meets with the approval of two-thirds of this body, we have to remain germane.

This thing is a travesty on rule XXII. I think everyone recognizes that we are bringing debate to a close that has not even started. Everyone who reads the RECORD will laugh at it. But that is the only way we can do it.

Mr. LONG. Mr. President, there is also a resolution in the Rules Committee by the Senator from Louisiana dealing with the same issue. The difference between the Long proposal and the Pastore proposal is pretty much a matter of semantics. They both would do about the same thing.

We do get a germaneness rule when we vote cloture. I went to the Senator from West Virginia about 5 months ago and said, "We ought to be trying to pass a health bill, a trade bill, and some kind of tax reform bill before the end of the session, and to pass those measures we are going to need a germaneness rule here in the Senate, because otherwise they will be bogged down in so many nongermane amendments that the bills will never pass."

I consulted with him, and with the Parliamentarian, and they helped draft the proposal which I put before the Rules Committee, and I regret it is not part of the rules today.

Before we called this bill up, I asked for a meeting with the Parliamentarian and the leadership, and I asked them, "Is it possible to ask for a suspension of the rule, so that we can get some of these things passed?"

The Parliamentarian advised us that it is possible, but that it is debatable, and you have to have cloture to bring it to a vote, if someone wants to fight it. Then when you bring the trade bill up, you would have to get cloture a second time in order to get that to a vote.

So in the last analysis, the difference between doing it the way we are doing and trying to change the rules is that in the one case we have to go for cloture once and in the other case we have to go for cloture twice.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HARTKE. I think the Senator from Rhode Island has raised a question which is not as simple as it appears on its face. For example, the amendment submitted by Senator CHURCH, myself, and Senator HASKELL deals with DISC. Now, DISC is the international—what is it? Anyway, it is a trade proposal. It is a proposal that deals with the promotion of international trade.

But by virtue of the fact that it deals with taxation, it is in the Internal Revenue Code. What we are dealing with here is, hopefully, to come forward with a measure which will facilitate and delineate the rules and regulations of some international negotiation. But when you deal with those matters, you cannot just deal with them in the abstract, because unfortunately most of the items which we deal with in the trade bill have with them an implication of tax legislation which has been acquired over the years. DISC is a relatively new operation; it is a part of the original trade legislation of 1962. But such an amendment would be declared nongermane.

Mr. PASTORE. Yes, but a Senator can take an appeal from the ruling of the Chair. The point is, I heard the Senator last evening. I am not saying that this amendment is germane or nongermane. I did not say that at all. The Senator said the Parliamentarian advised him it was nongermane.

Mr. HARTKE. That is right.

Mr. PASTORE. And I take the Senator at his word. But the Senator can always take an appeal from the ruling.

Mr. HARTKE. But the purpose of the cloture motion was to close out the amendments I am talking about. That is a fair statement of the facts.

Mr. LONG. If the Senate follows its precedent, and it would stultify itself not to do so, it would have to rule that an amendment affecting DISC was not germane to the bill.

The germaneness rule is necessary, and its precedents are very narrowly limited necessarily, because the theory is that Senators would not vote to cut off debate unless they knew what it was they were going to be voting on. They anticipate very clearly what they will be voting on when they vote for cloture—that is, they will be voting on what is in the bill, and things that are germane to what is in that bill.

We could not get cloture in this body if it was thought that Senators, having voted for a strict germaneness rule, would then overrule their own Parliamentarian and Presiding Officer and proceed to put something on the bill that the precedents of the Senate would not support. That would be a case of victimizing and taking advantage of the Senate and one's colleagues.

It should be well understood what we are voting on and not voting on, and what we are likely to vote on, when we vote for cloture. That being the case, we must necessarily have a very severe germaneness rule.

Some of those opposing cloture right now are saying that if we vote cloture, once it has been imposed, a majority of the body could move to overrule their own Parliamentarian and Presiding Officer, and rule the gas bill to be germane. It would only take a majority vote to do it.

My answer is that anyone who would do that would bring dishonor upon the Senate. The idea is that we are going to limit ourselves by a strict germaneness rule to what is germane under the precedents. To do otherwise would be to take advantage of those who voted for cloture. If a Senator succeeded in taking that sort of unfair advantage of those who served with him, and obtained a ruling that something nongermane was germane to the bill, he would get only one chance to do that. His colleagues would not trust him again. And furthermore, when the bill came back from conference, he would run into a second filibuster. If germaneness were not honorably pursued he would not get cloture the second time. So, while it may sound as though something like that is possible, it is really easier said than done.

Mr. PASTORE. My point is, can we afford to go home for Christmas and stand the criticism? Because the President has already made a declaration that he needs the trade bill in order to cope with unemployment. Labor takes the position that this trade bill will increase unemployment. That is the issue that must be resolved by this Congress. But I think we ought to stick to the issue. If you are for it, you ought to vote for it, and if you are against it, you ought to vote against it. But I think we ought to obviate any criticism that we are going home stalemated without taking any direct action. And if we get caught in a filibuster, whether it is the busing amendment, or removing from regulation natural gas—which will start another gaseous situation on the Senate floor—if we are going to get into that sort of thing, I say very frankly that we will find ourselves a hopeless body, and we will have no answer.

We cannot go home and say, "I was against the trade bill." People will say, "But you never voted against it." If we then say, "No, but I killed it indirectly," they will laugh at us, and they will say, "Is that what those men are doing down there in the Senate of the United States?"

So, I say that in this particular case, realizing the fact that today is Thursday, tomorrow is Friday, we are coming back Saturday, and we have got another week to go, I am telling the Senate that if we do not get busy and do what needs to be done. I am afraid it is going to be a very, very dismal Christmas. I would hope that the Senate would begin to realize that we have got to act like reasonable people.

I want to repeat, every amendment that the Senator from Indiana talked about last night I am for, and if it comes up for a vote I have got to vote for it, because otherwise, I would be voting against my own convictions.

But the point is at this particular stage of the game, let us get another vehicle to put these amendments on where we are going to have a chance to pass them, not where they are going to be wiped off when it gets into conference, because all we are going to do is, we are going to have an exercise in futility.

So I say, let us be reasonable. Let us work on this trade bill. I do not know whether I am going to be for it or against it. My inclination at the present moment is if it gives the proper protection for American jobs I may be inclined to vote for it. That is the way I feel now.

I have an amendment in order to protect the textile industry, the apparel industry, and many of the other industries that are all enumerated. I have that amendment at the desk at the present time, and I hope that that amendment will pass.

But on this question of germaneness or nongermaneness, I would hope that we would visit with one another, be sensible with one another, not look for a headline, but let us do something for the country.

Mr. HARTKE. Mr. President, will the Senator yield for a moment on that?

Frankly, I am not looking for a headline. This is not something which is new, and I think this is something the Senator from Louisiana, the chairman of the Finance Committee, recognizes, that I have had a trade bill in there longer than any other member of the committee.

Mr. LONG. There is nothing new about it.

Mr. HARTKE. The Hartke bill has been there and has been the subject of criticism, vilification, editorial adverse comment all over the Nation, but I am still convinced when we talk about the germaneness on the floor of the Senate I think the Senator from Louisiana correctly states the proposition that the germaneness is very narrowly drawn in legalistic terms.

I am not objecting to this, but just saying that if you talk in the field of

international trade at the GATT conference or if you went over to any one of the trade conferences which are being held at the present time, you would find out that the amendments which are being ruled nongermane here are germane to the international conference.

Mr. LONG. Let me address myself to that, Senator. We have precedents in the Senate on what germaneness means. It is a very, very narrow rule, and it is there for good reasons. When Senators vote and say they are going to limit debate, they are willing to vote on this particular matter. They are not willing to agree to cut off debate on a lot of other matters and, therefore, they are entitled to know exactly what it is they are going to vote on. Therefore, it is a very, very narrow rule.

For example, the Parliamentarian advises me if we had something in that bill that deals with the depletion allowance on oil—which we do not, but the Senator's amendment does—assuming we did have something in there that deals with the depletion allowance on oil, which said we were going to cut tthe depletion rate from 22 percent to 17, if you wanted to amend that to include coal that would not be germane. The precedents would say that this deals with oil, and even though the word "coal" appears right next to the word "oil" in the same sentence of the same provision of the Internal Revenue Code, this amendment in this bill deals with the depletion allowance on oil and you can amend it to cut the rate to zero or raise the rate to 100 if you want to, but you cannot change that to make it deal with anything except oil because this has to do with the depletion allowance on oil. You cannot amend it to put something else in there that has something to do with something else, even if it is in the same section, and even if the words in the Internal Revenue Code appear side by side.

Perhaps someone wishes to stretch the germaneness rule to say that it covers everything on God's green earth on the ground that everything exists on the same planet together. But no matter what one decides on how narrow or how broad he wants his germaneness rule to be, the Senate's rule is very, very clear. It is a very, very narrow rule, and that is how it has always been. If the Senator does not want a germaneness rule that narrow, then he should vote against cloture because that is what he is voting for when he votes for cloture.

Mr. HARTKE. I am not disagreeing with the Senator. I understand what he is saying. I disagree with the concept of saying very simply this is an effort sincerely that even the statement introduced by the chairman of the Finance Committee yesterday, which was written by the chairman of the Commerce Committee (Mr. MAGNUSON) he points out in the field of international trade the oil monopoly is one of the prime concerns, and one of the major concerns about the whole trade bill is the balance of payments which deals itself with the question of these oil companies having these absolutely unconscionable profits at the expense of the American taxpayers.

The situation is entirely different for these multinational corporations as to how they would approach the rest of this trade bill if they were not going to continue to have the subsidy of the tax provisions which they are now having, that is, the deferral of taxes as far as they are concerned if they do not repatriate their profits. The fact is that they receive a tax credit for a foreign source income, whereas an American domestic corporation receives only a tax deduction, which means half as much.

Mr. LONG. Senator, I do not know what we are debating here. I agree with the Senator. I like his amendment. I would like to help him put it over.

Mr. HARTKE. Will the Senator help me put it through this year?

Mr. LONG. Not on this bill.

Mr. HARTKE. Will the Senator help me put it through this year?

Mr. LONG. I will try, but not on this bill.

Mr. HARTKE. If the Senator will commit himself at this time I would even vote for cloture, if he will commit himself that he can guarantee we can have a vote on those measures on another bill at this session of Congress.

Mr. LONG. Senator, if I told the Senator I could guarantee him that that measure would come to a vote, I would be deceitful.

Mr. HARTKE. Just one more. Let me say this, the Senator understands I am not trying to put the Senator on the spot but just trying to get a commitment. [Laughter.] The point that I still want to make is that the multinational corporations, which are the outspoken advocates, who have raised millions of dollars to promote this trade bill—which is known—they absolutely, those organizations, have poured millions of dollars in to promote this trade bill for their own selfish interests.

I am not opposed to a fair trade bill. The United States of America is so competitive that I have stood repeatedly in front of every foreigner who claimed I was a protectionist, and I have said that I will be the protagonist and proponent of a complete international free trade area if every other country will reduce and remove all their restrictions, and they will see in me the No. 1 advocate of that position.

I have done it with the Canadians, I have done it with the Mexicans, with the French, and with the Japanese. None of them want to meet us on those terms, that is the problem.

These United States of America are so competitive that, everything else being equal, we could absolutely inundate the rest of the world. I am not wanting to do that, but I do think it is high time we recognized the United States of America is being reduced to a service economy, a bunch of filling station operators, hamburger salesmen, door-to-door salesmen, and that industrial employment has steadily declined since 1959. It continues to go down, and we are shipping out the industrial jobs which pay $4, $5, and $6 an hour, and we are putting people to work at a minimum wage in this country. Ultimately we will kill the goose that laid the golden egg. Ultimately we can kill this consuming purchasing power of America, and that is what I want to prevent.

Mr. LONG. Senator, I was nodding to what the Senator was saying, not because I necessarily agree with him, but because I understand his argument.

Mr. GOLDWATER. Mr. President, will the Senator yield? In a way I am awfully sorry I brought this whole thing up. I suggest that we are wasting a hell of a lot of time. Why do we not go about our business?

Mr. LONG. I am willing. Senator HARTKE wants to make a speech against the trade bill.

STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. PASTORE. Mr. President, I would like to call up Calendar No. 758, S. 3267, and I move that we proceed to its consideration.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to and the Senate continued with the consideration of the bill (S. 3267) to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SERVICES AND RESUMING THE CONFERENCE ON H.R. 3153

Mr. LONG. Mr. President, just the other day the House of Representatives sent us a bill, H.R. 17045, dealing with the subject of social services under the Social Security Act. Nearly 2 years ago the Department of Health, Education, and Welfare proposed new social service regulations which would have radically changed the nature of the social services program. Though the new regulations were put off, States and localities have been in a state of uncertainty ever since and I certainly share the anxiety of those who are eager for the Congress to resolve this issue.

As a matter of fact, the social services issue could have been resolved a year ago. In November 1973, the Senate passed a bill, H.R. 3153, which contained the Senate's proposal of what to do about social services. But the Senate has been waiting a year for the House of Representatives to agree to go to conference with us on this bill. While I recognize that the House social services bill differs from the provisions approved by the Senate last year in the area of social services, I am confident that any such differences can be fully considered in the context of a conference on H.R. 3153.

children. It is a unique group. It is free enterprise in operation.

Those with sufficient financial resources generally choose among van lines, a rental truck, and a large trailer for household moving. Their primary considerations are the cost savings of the rental equipment versus their time and effort to pack, load, drive, unload, and unpack. Dollar savings average about $340 on an average 490-mile move when truck rental equipment is used; on the average, a 63.4-percent savings.

Although the services provided are different and the out-of-pocket costs to the consumer vary considerably, competition between the van lines and the do-it-yourself household moving industry is stiff. The do-it-yourself household moving industry must price considerably below the van lines to offer sufficient savings to a person moving his household belongings to induce him to chose to rent a truck or trailer. Competition within the industry is also severe, and even within individual corporations smaller rental trucks compete with larger rental trailers.

Potential customers in the lower-income brackets tend to choose between a small rental trailer and the alternative of disposing of excess—more than a car load—of personal goods. They usually decide by comparing the value of those goods with the cost of the trailer rental. This effectively limits the rates the do-it-yourself moving industry can charge for small trailers. The resulting pricing limitations, taken in toto, represent free enterprise operating at its best.

This consumer group—using do-it-yourself equipment—should be differentiated from the moving van industry, and from the commercial truck and general car leasing industry.

My concern is that administration officials charged with the drafting and implementation of regulations for petroleum rationing or allocation appreciate the importance of the do-it-yourself moving industry to society and the economy and that that appreciation be reflected in any regulations issued pursuant to the bill now before the Senate.

TRADE REFORM ACT OF 1974

Mr. LONG. Mr. President, I ask the Chair to lay before the Senate the trade bill.

The PRESIDING OFFICER (Mr. HELMS). The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the bill.

Mr. LONG. Mr. President, article I, section 8, of the Constitution vests in the Congress plenary authority to "lay and collect taxes, duties, and imposts" and to "regulate commerce with foreign nations." As an exercise of that authority, the Senate is now proceeding to consider legislation which would significantly revise our trade laws. More specifically, the authorities contained in this bill would deal with:

Tariffs;

Nontariff barriers;

Reform of the General Agreement on Tariffs and Trade;

Balance of payments difficulties;

Access to supplies important to our economy;

The independence of the U.S. Tariff Commission;

Congressional oversight of all trade negotiations;

Relief to industries, workers, and communities adversely impacted by excessive imports;

Speedy relief for those injured by unfair foreign trade practices;

Establishing reciprocal conditions for U.S. commerce;

Providing for bilateral as well as multinational negotiations to achieve such reciprocity;

Opening up new opportunities for trade with nonmarket countries, and with developing countries, under carefully prescribed conditions;

And, last but not least, the bill would establish a realistic true, and accurate method of measuring where we stand in our international trading balance.

This bill represents a large and significant delegation of trade authorities to the President. However, the committee has written into this bill many provisions which reserve for the final judgment of Congress whether or not the trade agreements entered into under these authorities are in our Nation's best interests. Thus, while significant authorities to deal with current international economic problems are delegated to the President, the Congress not only retains its basic constitutional powers, but will be able to fulfill a careful oversight function—and in many cases a veto power—over the exercise of the carefully prescribed authorities delegated to the President.

This legislation has been the major business of the Committee on Finance throughout most of 1974. Early last spring the committee conducted 20 days of hearings, receiving statements from 118 witnesses, whose testimony fills seven volumes and 2,423 pages. The committee held executive sessions through the summer and fall to consider the bill. The committee report is 311 pages in length and the bill itself numbers 294 pages. The lengthy and careful consideration by the Finance Committee testifies to the importance of the bill.

Twenty months have passed since former President Nixon requested the Congress to provide the Executive with authority to negotiate "a more open and equitable trading world." Events during the past year have severely strained the world's economy, and underscored the need to find cooperative solutions to common domestic and international economic problems. President Ford has renewed the request for enactment of trade legislation during the 93d Congress to permit multilateral trade negotiations to proceed. In Tokyo, in September 1973, more than 100 nations joined the United States in pledging to negotiate a further reduction of the barriers to international commerce. Such negotiations are urgently needed to restore fairness and equity in the international trading system and to prevent a serious deterioration in the spirit of economic cooperation that is essential for the preservation of economic and political stability in a rapidly changing world. This legislation would permit those negotiations to proceed.

STRUCTURAL CHANGES IN THE WORLD ECONOMY

The post-World War II period has brought fundamental changes in the economic relationships among nations. At the end of World War II, the United States was clearly the dominant force in the world's economy.

The United States accordingly adopted a foreign economic policy to foster the recovery of war-torn nations. This generosity on the part of the United States succeeded, and the world's economic landscape underwent permanent change. Although the United States remains powerful, other countries have become economic giants. As we expected—and encouraged—significant economic progress has occurred in Western Europe, and Japan has emerged as a major center of economic power. Many less-developed countries have made impressive strides in recent decades. Some so-called less-developed countries have become dominant financial powers because of their possession of vital raw materials.

World trade has been the single most important factor in post-war recovery. The value of world exports increased from $129.6 billion in 1960 to $570.1 billion in 1973.

Normally, such a four-fold increase would suggest a growing world interdependence and a more efficient utilization of world resources. Unfortunately, however, much of the increasing volume of trade in recent years either is attributable to the four-fold increase in the price of oil, which now accounts for over 20 percent of total world trade, or has occurred within preferential and discriminatory trading arrangements. For example, among the contracting parties to the General Agreement on Tariffs and Trade, the GATT—despite their pledge of nondiscrimination as a fundamental principle for achieving trade liberalization—the proportion of imports entering at preferential rates increased from 10 percent in 1955 to 25 percent in 1970, and the proportion will grow significantly with the enlargement of the European Community.

One result of discriminatory trade practices has been a decline in the U.S. share of world trade. While the value of free world exports more than quadrupled between 1960 and 1973, the U.S. share of the export market underwent a steady decline from 15.9 percent in 1960 to 14.6 percent in 1970.

The following tables illustrate the U.S. share of world imports and exports compared with those of other countries.

Mr. President, I ask unanimous consent to have the tables printed in the RECORD.

There being no objection, the tables

were ordered to be printed in the RECORD, as follows:

TABLE 1.—WORLD TRADE: EXPORTS [1]

	1960	1965	1973
Total (billions of dollars)	129.6	188.5	575.0
Per country (percentage):			
United States	15.9	14.6	12.4
European Community	32.6	34.3	36.8
Of which: United Kingdom	8.2	7.3	6.3
Japan	3.2	4.5	6.4
Other developed countries	15.0	15.4	15.8
Less developed countries	20.8	18.9	18.6
Communist countries	12.5	12.3	[2] 9.9
Of which:			
China, People's Republic of (PRC)	1.5	1.1	.5
Soviet Union (U.S.S.R.)	4.3	4.4	3.7
Other	6.6	6.8	[2] 5.7

[1] Data are f.o.b.
[2] Estimated.

Source: International Economic Report of the President, February 1974. U.S. Department of Commerce.

During the same period, the U.S. share of world imports fluctuated between 12.1 percent in 1960 and 12.4 percent in 1973. (See table 2.) U.S. imports totalled $73.2 billion in 1973, and were entering at an annual rate of approximately $100 billion during the first half of 1974.

TABLE 2.—WORLD TRADE: IMPORTS [1]

	1960	1965	1973
Total (billions of dollars)	135.8	198.7	592.0
Per country (percentage):			
United States	12.1	11.7	12.4
European Community	33.2	34.8	36.5
Of which: United Kingdom	9.6	8.1	6.6
Japan	3.3	4.1	6.5
Other developed countries	17.5	18.8	17.6
Less developed countries	21.8	18.9	16.3
Communist countries	12.1	11.6	[2] 10.8
Of which:			
China, People's Republic of (PRC)	1.5	.9	[2] .6
Soviet Union (U.S.S.R.)	4.1	4.1	3.9
Other	6.5	6.6	[2] 6.3

[1] Data are c.i.f.
[2] Estimated.

Source: International Economic Report of the President February 1974. U.S. Department of Commerce.

DECEPTIVE TRADE STATISTICS

Mr. LONG. Throughout the postwar years, the United States has in effect premised much of its trade, aid, and monetary policies upon a balance-of-trade surplus which, in fact, was diminishing and by 1966 had disappeared altogether. The apparent U.S. trade surplus was based on import statistics collected and reported on an FOB—free on board—basis, which excludes the cost of freight and insurance. U.S. export statistics, moreover, are padded with exports that are more in the nature of aid than trade—Public Law 480 exports, for example. Most other industrialized nations and the International Monetary Fund value imports on a CIF—cost, insurance and freight—basis. However, the United States has obscured its true balance of trade position by maintaining statistics on an FOB rather than CIF basis, as shown in the following table, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—BALANCES OF TRADE: F.O.B. AND C.I.F. AND BALANCE OF PAYMENTS

Year	F.o.b. (plus foreign aid shipments)	C.I.F. (minus foreign aid)	Balance of payments (net liquidity)
1966	3.9	−0.7	−2.2
1967	4.1	−.3	−4.7
1968	.8	−3.5	−1.6
1969	1.3	−2.9	−6.1
1970	2.7	−1.7	−3.9
1971	−2.0	−6.6	−22.0
1972	−6.4	−11.4	−13.9
1973	+1.3	−3.8	−7.8
1974 (1st 9 months at annual rate)	−3.1	[2] −11.9	[2] −14.4
Total, 1966–74	+2.6	−42.8	−76.5

[1] Partly estimated.
[2] January–June at annual rate.

Source: U.S. Department of Commerce.

Mr. LONG. Viewed on an accurate basis, the performance of the United States in the world economy throughout much of the post-war period has been marked by persistent trade and payments deficits. If the cost of insurance and freight is included in our imports, and if the factor of foreign aid is excluded from our exports, our trade account has been in deficit since 1966. While the U.S. Government was reporting to the American people and to the world a healthy balance-of-trade surplus of $2.6 billion for the period 1966–74, the country in reality was experiencing a deficit totaling $42.8 billion, accounting for more than half of our overall balance-of-payments deficit during that period. The outlook is equally bleak this year; throughout 1974, our trade deficit measured on a CIF basis has been running at an annual rate of $12 billion.

Government expenditures abroad have also been a large contributor to the deficit in our international accounts. Between 1959 and 1973 net Government expenditures for both military and economic aid amounted to $141.3 billion in our overall international accounts, which is about equal to the growth in foreign country monetary reserve assets over this period. Despite cuts in foreign aid authorizations each year, the total expenditures keep growing. The following table illustrates my point.

Mr. President, I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—NET U.S. GOVERNMENT AID AND MILITARY EXPENDITURES ABROAD, 1950–74

[In billions of U.S. dollars]

	Military	Foreign aid	Total
1950	−0.6	−3.6	−4.2
1951	−1.3	−2.9	−4.2
1952	−2.1	−2.5	−4.5
1953	−2.4	−2.1	−4.5
1954	−2.5	−1.6	−4.1
1955	−2.7	−2.2	−4.9
1956	−2.8	−2.4	−5.2
1957	−2.8	−2.6	−5.4
1958	−3.1	−2.6	−5.7
1959	−2.8	−2.2	−5.0
1960	−2.8	−2.6	−5.4
1961	−2.6	−2.8	−5.4

TABLE 4.—NET U.S. GOVERNMENT AID AND MILITARY EXPENDITURES ABROAD, 1950–74—Continued

[In billions of U.S. dollars]

	Military	Foreign aid	Total
1962	−2.4	−2.8	−5.2
1963	−2.3	−3.1	−5.4
1964	−2.1	−3.2	−5.3
1965	−2.1	−3.3	−5.4
1966	−2.9	−3.4	−6.3
1967	−3.1	−4.2	−7.3
1968	−3.1	−3.9	−7.0
1969	−3.3	−3.6	−6.9
1970	−3.4	−3.8	−7.2
1971	−2.9	−4.4	−7.3
1972	−3.5	−3.5	−7.0
1973	−2.4	−3.8	−6.2
1974 [1]	−2.3	−4.4	−6.7
Total	−64.3	−77.0	−141.3

[1] 1st half at annual rate.

Source: International Economic Report of the President, February 1974. U.S. Department of Commerce.

RECENT ECONOMIC HISTORY

Mr. LONG. Mr. President, 12 years have passed since the Congress enacted the Trade Expansion Act of 1962. A great amount of international economic history has occurred in the intervening years. In the opinion of the committee, much of that history has been unfavorable to this country, largely because of the antiquated rules of the international trade and monetary systems and the related lack of genuine cooperation and reciprocity in international economic relations.

Throughout most of the postwar era, U.S. trade policy has been the orphan of U.S. foreign policy. Too often the executive has granted trade concessions to accomplish political objectives. Rather than conducting U.S. international economic relations on sound economic and commercial principles, the executive has used trade and monetary policy in a foreign aid context. An example has been the executive's unwillingness to enforce U.S. trade statutes in response to foreign unfair trade practices. By pursuing a soft trade policy, by refusing to strike swiftly and surely at foreign unfair trade practices, the executive has actually fostered the proliferation of barriers to international commerce.

The Kennedy round of trade negotiations brought about the largest tariff reductions in the history of the United States. Unfortunately, the Kennedy round did not remedy fundamental inequities in the world trading system. There was no reform of the institutional structure, nor was there any significant progress in dealing with nontariff barriers or distortions of international trade. Our trading partners, most notably the European Community, devised new ways to pursue protectionism, particularly in agriculture.

In recent years, the United States experienced a series of trade and payments deficits, several dollar devaluations, and a rate of inflation unprecedented in peacetime. The Nation's economy has continued its long, slow drift away from labor-intensive industries and toward service industries. Especially significant has been the structural shift in U.S. em-

ployment. In 1960, nearly one-third of our U.S. nonagricultural employment was in manufacturing. Since 1960, however, manufacturing employment has declined steadily to a position where barely one in four workers are gainfully employed in manufacturing. This relative decline in manufacturing employment has been offset by increases in service jobs, as illustrated by the following table, which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 5.—EMPLOYMENT IN THE UNITED STATES IN NONAGRICULTURAL ESTABLISHMENTS DURING THE POSTWAR ERA 1945-74

[In millions of persons]

	Manufacturing			Mining	Construction	Transport public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government	
	Total wage and salary workers	Total	Percent of total employment							Federal	State and local
1945	40.4	15.5	37.4	0.8	1.1	3.9	7.3	1.5	4.2	2.8	3.1
1950	45.2	15.2	33.7	.9	2.3	4.0	9.4	1.9	5.3	1.9	4.1
1955	50.7	16.9	33.3	.8	2.8	4.1	10.5	2.3	6.3	2.2	4.7
1960	54.2	16.8	31.0	.7	2.9	4.0	11.4	2.7	7.4	2.3	6.1
1965	60.8	18.1	29.7	.6	3.2	4.0	12.7	3.0	9.1	2.4	7.7
1970	70.6	19.4	27.4	.6	3.4	4.5	14.9	3.7	11.6	2.7	9.8
1972	72.8	18.9	26.0	.6	3.5	4.5	15.7	3.9	12.3	2.6	10.6
1973	75.6	19.8	26.2	.6	3.6	4.6	16.3	4.1	12.9	2.6	11.0
1974:											
I	76.8	19.9	25.9	.7	3.7	4.7	16.5	4.1	13.2	2.7	11.4
II	77.1	20.0	25.9	.7	3.6	4.7	16.6	4.1	13.4	2.7	11.4
III [1]	77.1	19.9	25.8	.7	3.5	4.6	16.7	4.2	13.4	2.7	11.5

[1] Preliminary.

Source: "Economic Report of the President", February 1974, p. 282; Current Economic Indicators.

Mr. LONG. Mr. President, as our Nation's employment in manufacturing has declined relatively, its trade balance in manufacturing has declined absolutely. In 1960 the United States had a trade surplus in manufactured goods of $5.2 billion. By 1973 we had a deficit of $3.4 billion, as shown by the table which follows. In contrast, West Germany also had a surplus of $5.9 billion in 1960, but by 1973 that surplus had burgeoned to $28.7 billion, and Japan's modest surplus of $2.6 billion in 1960 had exploded into a $23.3 billion surplus by 1973. The committee expects that these negotiations will seek to provide equal competitive opportunities for exports of U.S. manufactures and agriculture, and that the unwarranted protection afforded to producers in countries with large and persistent balance of trade surpluses will be substantially reduced and, if possible, eliminated.

Mr. President, I ask unanimous consent to place in the RECORD at this point a chart showing how the trade balances would look if they were kept in a fashion that would accurately demonstrate how we stand with regard to our balance of trade.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 6.—TRADE BALANCES IN MANUFACTURES (C.I.F. BASIS)

[Dollars in billions]

Year	United States	EEC		Federal Republic of Germany	France	United Kingdom	Japan	Canada [1]
		Total	Excluding Intra-EEC					
1960	$5.9	$13.0	$13.1	$5.9	$2.7	$4.4	$2.6	−$1.5
1966	5.1	16.9	17.0	9.0	1.6	5.4	7.0	−2.1
1967	5.3	17.9	17.8	11.0	1.4	4.3	6.7	−2.0
1968	3.5	18.9	18.9	11.7	1.0	3.9	8.7	−1.7
1969	4.1	19.4	19.7	12.3	.1	5.1	10.6	−2.2
1970	$3.8	$21.5	$21.6	$13.3	$1.5	$5.3	$12.5	−$1.0
1971	.4	26.4	27.4	15.0	1.8	6.3	17.1	−2.1
1972	−3.4	39.5	30.4	17.7	3.4	6.4	20.3	−5.9
1973	−.8	(2)	(2)	28.7	2.3	3.7	23.3	−4.9

[1] F.o.b. basis.
[2] Not available.

Source: U.S. Department of Commerce.

Mr. LONG. It is anticipated that these negotiations will reduce foreign barriers to our agricultural exports. It is essential, however, that the negotiations also yield opportunities for our manufacturing industries, for those industries now employ about 20 million American working men and women.

U.S. TRADE, BALANCE OF PAYMENTS TRENDS

Trade issues cannot be totally divorced either from international monetary problems nor from military and foreign aid burdens. The committee intends that these trade negotiations be coordinated with other negotiations involving the burden-sharing of aid and defense costs, monetary reform, access to raw materials in short supply and other issues. Trade cannot be adequately dealt with in isolation from other major influences on the world economy.

For many years this country relied on a trade surplus to offset foreign aid and military expenditures abroad as well as private investment. That surplus, which was never large enough to offset such expenditures, has now disappeared. In 1962, the Nation had a modest trade surplus of approximately $1.1 billion—CIF—and a balance of payments deficit of $2.9 billion—liquidity basis. Ten years later the trade surplus had become an $11.4 billion deficit and the payments deficit had grown from a bearable $2.9 billion to an intolerable $13.9 billion. Not surprisingly, the dollar became unwelcome in many capitals of the world and underwent a series of devaluations.

The year 1973 saw a temporary improvement in U.S. payments and trade balances—largely attributable to grain exports to the Soviet Union which many believe contributed importantly to the 8.8-percent inflation of 1973. This year hopes for achieving a reasonable balance in our international accounts have been dashed by mounting deficits. By the year's end, the Nation's trade deficit—CIF—is likely to be over $10 billion. The following table presents U.S. trade and payments balances since 1960.

Mr. President, I ask unanimous consent to have that table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 7.—U.S. TRADE AND BALANCE OF PAYMENTS, 1960–74

[In billions of dollars]

	U.S. trade position				Trade balance		Balance of payments		
	Exports (X)		Imports (M)						
	Total	Minus foreign aid	F.o.b.	C.i.f.[1]	F.o.b.	C.i.f. (M) excluding foreign aid (X)	Liquidity[2]	Official settlements[2]	Basic balance
1960	19.7	18.0	15.1	16.3	4.6	1.7	−3.7	−3.4	−1.2
1961	20.2	18.5	14.8	16.0	5.5	2.5	−2.3	−1.3	(5)
1962	21.0	18.9	16.5	17.8	4.5	1.1	−2.9	−2.6	−1.0
1963	22.5	20.0	17.2	18.6	5.3	1.4	−2.7	−1.9	−1.3
1964	25.8	23.1	18.7	20.3	7.1	2.8	−2.7	−1.5	−.1
1965	26.7	24.3	21.4	23.2	5.3	1.1	−2.5	−1.3	−1.8
1966	29.5	27.0	25.6	27.7	3.9	−.7	−2.2	.2	−2.1
1967	31.0	28.5	26.9	28.8	4.1	−.3	−4.7	−3.4	−3.7
1968	34.1	31.8	33.2	35.3	.8	−3.5	−1.6	−1.6	−1.9
1969	37.3	35.3	36.0	38.2	1.3	−2.9	−6.1	2.7	−3.6
1970	42.7	40.7	40.0	42.4	2.7	−1.7	−3.9	−9.8	−3.8
1971	43.5	41.7	45.6	48.3	−2.0	−6.6	−22.0	−29.8	−10.6
1972	49.2	47.5	55.6	58.9	−6.4	−11.4	−13.9	−10.4	−11.2
1973	70.8	69.4	69.5	73.2	1.7	−3.8	−7.8	−5.3	−.9
1974:									
I	22.4	45.6	21.7	23.2	−.7	−4.6	−1.0	1.1	1.7
II	24.2		25.2	27.0	−.9		−6.2	−4.5	−2.7
III	25.0	24.7	27.1	29.0	−2.1	−4.3	(6)	(4)	(4)

[1] C.i.f. imports for the years 1960–66 are assumed to be roughly equivalent to 108.3 percent of f.o.b. imports in accordance with a Bureau of Customs—Tariff Commission—Bureau of Census study based on 1966 arrivals. For the years 1967–73 estimates are based on Bureau of Customs-Bureau of Census studies showing estimated freight and insurance charges to be 6.9 percent (1967), 6.3 percent (1968), 6.1 percent (1969), 6.2 percent (1970), 6.1 percent (1971), and 5.9 percent for 1972 and 1973.

[2] The liquidity and official settlements deficits for 1966–73 excludes SDR allocations.

[3] Less than $50 million.

[4] Not available.

[5] Partly estimated.

Source: U.S. Department of Commerce.

THE ENERGY CHALLENGE

Mr. LONG. The reason for this country's worsening position in 1974 is well known. Between October 1973 and January 1974 oil-producing countries in the Middle East raised their Government oil revenues—taxes and royalties—from about $3 per barrel to $7 per barrel. Imported petroleum currently costs over $13 per barrel. The U.S. oil import bill in 1974 is expected to be over $27 billion, a 300-percent increase over 1973 for virtually the same amount of oil. Net income of the oil-producing countries of the Middle East has increased from $4 billion in 1967 to $9 billion in 1972, and to an estimated $60 billion in 1974. Imports of petroleum at present consumption levels will jump from $45 billion in 1973 to about $115 billion in 1974, an increase of $70 billion. The revenues of all oil exporting countries will increase in 1974 to nearly $100 billion—three-and-a-half times their 1973 revenues. By 1980, it is projected that OPEC countries will control over $500 billion or 70 percent of the world's foreign exchange reserves. This unprecedented transfer of wealth from the consuming countries to producing countries is severely straining the world's monetary and trading systems, as nations struggle to pay their oil import bills. It is also posing a serious threat to private financial institutions.

Petroleum is the largest single commodity moving in world trade, currently accounting for about one-fifth of the total value of world trade, and its continued dominance is assured because of the cartel-pricing policies of the producing countries. Other producer cartels of lesser but still significant economic strength have also been formed. Under these circumstances, it is imperative that the fundamental inequities in the world trading system be corrected in a spirit of international cooperation.

Largely because of the increased cost of oil imports, the U.S. balance of trade deficit—CIF—for the first three quarters of 1974 totaled $11.9 billion.

The abruptness of the price increase in petroleum is a primary cause of the present paradox of inflation and recession which presently burdens the United States and world economies. The increase in the price of this basic commodity has already been, and will continue to be, reflected in prices of other goods which depend on petroleum as either a direct raw material or as a fuel. Furthermore, the increase in the price of petroleum has put corresponding pressure on the prices of other fuels, raw materials, and finished products so that virtually every sector of the economies of oil consuming nations is affected to some degree. Consequently, as consumers try to preserve their sandard of living by shifting their spending patterns, some industries are already facing weakened demand for their products, increasing inventories, production curtailment, reduced profits and job layoffs.

NEED FOR THE BILL

To deal with these forces which are disrupting the world economy, the Executive now seeks a renewal of trade negotiating authority. Since 1934, Congress has periodically delegated to the President specific and limited authority to conduct negotiations with other countries of reciprocal tariff and trade concessions. The last major delegation of such authority to the Executive, which expired in 1967, was included in the Trade Expansion Act of 1962. The trade bill now being debated proposes a 5-year renewal of the President's authority to engage in another round of multilateral trade negotiations.

As passed by the House, the bill represented the largest delegation of trade negotiating authority to the Executive in history. The Finance Committee's amendments seek to establish appropriate and constitutionally sound guidelines and criteria to govern the exercise of the authority granted by the bill. The intractable nature of modern barriers to trade, both tariff and nontariff, make this grant of extensive negotiating authority to the Executive necessary. The committee, moreover, fully recognizes that immediate steps must be taken to deal with the severe monetary and trade problems created by the precipitous increase in world energy prices and to avert further dislocation in the world economy.

The committee recognizes that the United States, by virtue of its strength, must play a major role in leading the world and shaping its economy. The strength of the American economy made it possible for this country to assert such leadership with expectation and hope that other countries would follow. However, while it is necessary that the United States continue a leadership role, other countries which have gained tremendous financial or economic wealth must do their fair share to insure stability in the world economy. Several major trading countries which have large trade and payments surpluses continue to maintain unjustifiable and unreasonable restriction on imports and investment even though they enjoy relatively strong economies.

No nation is so insulated from the world economy that it can afford to pursue policies which threaten the stability of the world economy without suffering itself from chaos created. Collective economic security and access to supplies must be primary objectives of these negotiations.

The trade bill as reported by the committee is intended to be more than a delegation of authority for negotiated reduction in the rates of duty. While a significant rate-reducing authority is provided to insure the flexibility that trade negotiations will require, our foreign trading partners, and our negotiators, are on notice that the authority must be exercised to obtain full reciprocity and equal competitive opportunities for U.S. commerce. An unusually complete prenegotiation safeguard procedure is provided so that, to the fullest extent possible, U.S. businessmen can achieve the same access to the U.S. negotiating team that businessmen in other countries have to theirs.

The basic authority for trade agreements in the trade bill, however, is but one part of new trade management tools designed to open a new era of U.S. participation in the world economy. For the first time, an assault on nontariff barriers is mandated and a constitutionally sound procedure for congressional consideration of the resulting agreements is provided.

The structural changes in the world economy cry out for cooperative efforts to establish structural changes in the institutions governing world trade. This bill provides the authority to negotiate this change. Outmoded international trade rules are to be negotiated and new codes providing for a fair and equitable access to supplies are to be sought. U.S. legislation dealing [illegible]

is strengthened. Important procedural as well as substantive changes have also been made in the countervailing duties law which imposes duties to offset subsidies granted by foreign governments, or by private persons or organizations, on goods imported into this country. Reciprocal treatment is to be demanded from industrialized countries; at the same time, the less developed countries will receive a favored treatment designed to stimulate their development through trade rather than aid.

The committee bill provides a new program of community assistance specifically designed to help those communities adversely impacted by trade to adjust to foreign competition.

In short, the trade bill if enacted, will do much to repair the damage of a trade agreements program operated in the past primarily to expose the U.S. economy to a world of proliferating preferential trade blocs, cartels, and disruptive influences.

TRADE WITH COMMUNIST COUNTRIES

Mr. President, I would like to discuss briefly the question of trade relations with Communist countries. This has been one of the most controversial areas dealt with in the bill.

Title IV of the committee bill would authorize the President to extend most-favored-nation or nondiscriminatory trade concessions to Communist countries not currently receiving such treatment, provided certain conditions are satisfied. However, no country would be eligible to receive nondiscriminatory treatment or U.S. Government credits or guarantees if it denies its citizens the freedom to emigrate. An amendment will be offered which will permit a waiver of this requirement, provided certain conditions are met. The committee held a special hearing with Secretary Kissinger on this issue so that the Senate will have additional information on this amendment.

The committee also adopted a number of provisions intended to assure that trade with Communist countries is conducted in the best interests of our country and is carefully monitored by the Congress. For example, from now on, when the Executive enters into bilateral trade agreements with nonmarket countries, these agreements will be subject to the approval of both Houses of Congress. The bilateral agreements would be required to provide for the protection of property interests, the safeguarding of U.S. markets from disruption, and for the settlement of commercial disputes.

The committee bill also conditions extension of MFN treatment to Czechoslovakia upon that country's repayment in full of the principal amount of all claims owed citizens of the United States. The committee was surprised and disappointed to learn that the State Department last summer had completed the negotiating stage of a claims settlement. Under this proposed one-sided agreement with the Czech Government, Czechoslovakia would have received MFN treatment and become eligible for U.S. Government credits in return for paying only a fraction of the amount they owe U.S. citizens for private property expropriated during the 1950's. Incredibly, under this one-sided agreement the State Department was ready to agree to turn over to the Czech Government gold valued at over $100 million which is in the custody of our Government and the Governments of France and Britain. The committee amendment will withhold special benefits from Czechoslovakia until there is an equitable claims settlement agreement.

CONCLUSION

Mr. President, the United States remains the largest and most accessible market in the world. Despite the claims of our trade partners, U.S. duties, subject to continued reductions under the trade agreement programs, are at the lowest average level of any major industrialized country. The United States, accordingly, is the world's largest individual market. The value of its foreign imports now exceeds $100 billion annually. America is a trading nation, and it thrives on competition. Given a fair deal, its industry can compete with the world, and be strengthened in that competition.

The committee, however, believes that the United States can no longer stand by and expose its marekts, while other nations shelter their economies—often in violation of international agreements—with variable levies, export subsidies, import equalization fees, border taxes, cartels, discriminatory government procurement practices, dumping, import quotas, and a host of other practices which effectively discriminate against U.S. trade and production. The committee recognizes the responsibilities of the United States, as the world's strongest economy, to provide leadership in the international community. At the same time, however, the committee recognizes the duty of the Congress to adopt policies for the sound growth of the economy and the long-term benefit of the American people. The committee therefore reports its version of the trade bill to the Senate, having received firm assurances from the executive branch that in the forthcoming negotiations, U.S. negotiators will not grant concessions which are not fully reciprocated by foreign concessions of equivalent value to the commerce of the United States.

Mr. President, I ask unanimous consent that a summary and table comparing the principal features of the Finance Committee bill with the House bill be inserted at this point in the RECORD.

There being no objection, the summary and table were ordered to be printed in the RECORD, as follows:

SUMMARY OF H.R. 10710 AS REPORTED BY THE COMMITTEE ON FINANCE

Title I. Negotiating Authority

General Authority.—The bill, as amended by the Committee, would authorize the Executive for a period of five years to enter into trade agreements with other countries, for the purpose of harmonizing, reducing, or eliminating tariff and nontariff barriers to, and other distortions of, international trade, subject to certain limitations and conditions. The Committee bill gives strong emphasis to the need for establishing fair and equitable conditions of trade, and includes a requirement that the President determine, at the conclusion of the negotiations, whether any major industrialized country has failed to make concessions which would provide for the commerce of the United States substantially equivalent competitive opportunities provided by the United States to such country. Any major industrialized country which fails to provide such substantially equivalent market opportunities would not benefit from the concessions made under authorities provided by this bill, and, if necessary to restore relatively equivalent competitive opportunities, concessions made under past trade agreements could be terminated.

Tariff Authority (Title I, Ch. 1).—In order to promote the purposes of the bill, detailed in section 2 and in the negotiating objectives set forth in various sections of Title I, the President would be authorized to proclaim, in accord with certain limits described below, modifications in duties whenever he determines that existing duties or other import restrictions of a foreign country or of the United States are unduly burdening and restricting the foreign trade of the United States. The President would be authorized to *decrease* duties below the rates in effect on January 1, 1975, within the following limitations:

If existing duties are: 10% ad valorem or less—no limitation; over 10% ad valorem—50% of the rate existing on January 1, 1975.

The bill would establish certain prenegotiation procedures, including public hearings and advice by the Tariff Commission (renamed the United States International Trade Commission), to assess the probable economic effect of such potential duty reductions on industries producing like or directly competitive articles and on consumers for the purpose of avoiding serious injury to the U.S. economy. In addition, private advisory groups would be established to provide the negotiators with policy and technical advice prior to, and throughout, the negotiations.

Negotiated duty reductions which exceed ten percent of the prior rate would be staged over a period of time as follows:

1. Whenever a duty is to be reduced by more than 20 percentage points, the reduction would occur in equal installments over a period of 10 years.

2. Whenever a duty is to be reduced by less than 20 percentage points, the annual reduction could not exceed 2 percent ad valorem.

The President would be authorized, as part of negotiated trade agreements, to *increase* (or impose) rates of duties not to exceed 50% above the column 2 rate existing on January 1, 1975, or 20% ad valorem above the rate existing on January 1, 1975, whichever is higher.

Nontariff Barriers (Title I, Ch. 1).—The President would be authorized to enter into trade agreements to harmonize, reduce, or eliminate nontariff barriers and distortions, including subsidies, to international trade in goods and services which he determines are unduly burdening or restricting the foreign commerce of the United States, adversely affecting the U.S. economy, preventing fair and equitable access to supplies, and preventing the development of open and nondiscriminatory trade among nations.

At least 90 days before entering into such a trade agreement under section 102 of the bill, the President would be required to notify the House and Senate and publish notice of his intention in the Federal Register. The President or his representative would also be required to consult in advance with appropriate committees of the Congress concerning the agreements and their "packaging" for submission to Congress. All agreements involving nontariff barriers and distortions, together with a draft of any necessary implementing legislation and a statement of any administrative action proposed to implement the agreement, must be submitted to the Congress for consideration. Thus the Congress and the American people would have an understanding of the ramifications of such

trade agreements before they could become effective.

In order to assure that the Congress would consider such legislation, while at the same time preserving the constitutional powers vested in the Congress, the bill provides special procedures for considering implementing legislation. If forty-five legislative days after implementing legislation has been introduced, the committee (or committees) to which the matter had been referred has not already reported the legislation, the committee (or committees) would be discharged from further consideration. A vote on final passage of the implementing legislation would be taken in each House on or before the close of the 15th day after the bill or resolution is reported by the committee or committees to which it was referred, or after they have been discharged from further consideration of the bill or resolution. No amendments would be allowed. In the case of revenue bills, which must originate in the House of Representatives, each House would be given up to 60 days in which to consider agreements (for a total of up to 120 legislative days). Under the Committee bill, both Houses must approve such implementing legislation, by majority vote of the members present and voting, before agreements negotiated under section 102 of Title I can enter into force for the United States.

Negotiating Objectives (Title I, Ch. 1).—The overall negotiating objective of the United States under the bill would be to obtain more open and equitable market access for U.S. exports of goods and services and to harmonize, reduce and eliminate barriers to international trade.

The bill would also make it a principal U.S. negotiating objective to obtain, to the maximum extent feasible, with respect to appropriate sectors of manufacturing and with respect to the agricultural sector, competitive opportunities for United States exports to developed countries equivalent to competitive opportunities afforded similar products in United States markets. U.S. negotiators would be directed to obtain, to the maximum extent feasible, equivalent competitive opportunities within sectors (e.g., bargaining U.S. import concessions within one sector of manufacturing for foreign concessions resulting in equivalent market opportunities for U.S. exporters in that sector). The private advisory bodies would advise the negotiators on how the goal can best be accomplished. The Special Representative for Trade Negotiations would be required to account to the Congress and the public on how successful he was in achieving this negotiating objective. Private sector advisory committees, established by the Committee bill, would issue formal reports at the conclusion of agreements affecting their sectors, evaluating the equity and mutuality of the agreements within their sectors. The Congress therefore would be better able to judge whether this negotiation achieved mutual benefits for the commerce of the United States.

A further negotiating objective of the United States in the nontariff barrier negotiations would be to obtain international safeguard procedures designed to permit the use of temporary measures to ease the adjustment to change brought about by the effect of such negotiations upon the growth of international trade.

The Committee bill would establish as a principal negotiating objective, the entering into of trade agreements with any foreign country or group of countries which supply the United States with articles of commerce which are essential for U.S. economic requirements, and for which the United States does not have, or cannot easily develop, the necessary productive capacity to supply its own requirements.

The Committee bill would authorize and encourage the President to enter into bilateral trade agreements where such agreements would better serve U.S. economic interests than agreements undertaken on a multilateral basis. In addition, the Committee bill would direct the President to enter into a trade agreement with Canada aimed at eliminating or moving to eliminate trade barriers between the two countries on a reciprocal basis.

Reform of the General Agreement on Tariffs and Trade (GATT) (Title I, Ch. 2).—The bill would direct the President to seek reform of the GATT (or through negotiation of other agreements) to establish principles promoting the development of an open, nondiscriminatory and fair world economic system. Such principles would include: (1) revision of decision-making procedures of the GATT, (2) expansion of the safeguard provision (Article XIX) to cover all forms of import restraints countries use in response to injurious competition, (3) extension of the Agreement to matters not presently covered to move toward fair trade practices, (4) the adoption of international fair labor standards, (5) revision of the Agreement with respect to the treatment of border adjustments for internal taxes, (6) revision of the Agreement to recognize import surcharges as the preferred response to balance of payments deficits, (7) strengthening of the Agreement to assure access to supplies including rules and procedures governing imposition of export controls, the denial of fair and equitable access to such supplies, and effective consultation procedures, (8) the establishment of multilateral procedures and sanctions with respect to such countries which deny fair and equitable access to supplies of food, raw materials, semi-manufactured and manufactured commodities, and thereby injure the international community, (9) establishment of international procedures for regular consultation among countries regarding international trade and the resolution of commercial disputes, (10) any revisions necessary to apply principles of reciprocity and nondiscrimination including elimination of special preferences and reverse preferences, (11) any revision necessary to establish more flexible international monetary mechanisms, (12) any revisions necessary to define acceptable forms of subsidy to industries producing products for export and to attract foreign investment, and (13) any revisions necessary to establish agreement on the extraterritorial application of national laws relating to antitrust, taxation, and foreign trade.

The Committee bill would require that any trade agreement entered into by the President which would change domestic Federal law (or materially change administrative regulations) would not take effect unless implementing legislation was approved by both Houses of Congress.

Balance of Payments Authority (Title I, Section 122).—The bill would direct the President to proclaim, for a period of up to 180 days, such import surcharges (up to 15 percent ad valorem) or, under certain circumstances, import quotas, or a combination of the two, as may be necessary to deal with large and serious U.S. balance of payments deficits, to prevent an imminent and significant depreciation of the dollar, or to cooperate with other countries in correcting international balance of payments disequilibria. If the President fails to take action to protect the United States from continuing, large and serious balance of payments deficits, he would be required to consult with the members of the Committee on Finance and the Committee on Ways and Means.

If the President determines that the United States has experienced large, persistent, real trade surpluses, which require an increase in U.S. imports, he would be authorized to proclaim for a period of up to 150 days, a temporary reduction in the rate of duty of not more than 5 percent ad valorem on any article or an increase in quotas or a temporary suspension of other import restrictions.

Import restrictions would be applied on a nondiscriminatory basis, unless the President determines that circumstances warrant restrictions on imports from individual countries. Such circumstances could include situations in which the large and serious U.S. balance-of-payments deficits are substantially the result of one or several countries having large surpluses and failing to take voluntary and effective action to reduce those surpluses. (It is the Committee's intention that wherever United States trade performance is measured to reach determinations under authorities granted by the bill, the Executive is to assay and publish the U.S. balance of trade on a c.i.f. basis. The c.i.f. basis would, with respect to imports, include the cost of insurance, and freight, and would exclude soft currency sales, long-term foreign-air-financed shipments, and outright grants from export totals.)

Hearings and Advice Concerning Negotiations (Title I, Ch. 3).—The bill contains a number of provisions intended to increase the participation of the public, the Congress, and various governmental agencies in the trade agreements program. The role of the Tariff Commission (renamed the International Trade Commission) as a fact-finder and advisor would be expanded and the Commission would be made more independent of the Executive. In addition, the bill would establish various private advisory groups representing labor, industry, agriculture, consumers and the general public to provide policy and technical advice during the negotiations, and in certain instances, to issue official reports at the conclusion of negotiations within their respective sectors.

Congressional Oversight and Liaison (Title I, Ch.'s 5 and 6).—The capability of the Congress to monitor and shape U.S. trade policy during the negotiations also would be strengthened. In addition to the procedures established for the positive approval of nontariff barrier agreements, the bill provides for Congressional overrides of certain types of Executive actions. Examples of Executive actions which could be overriden by a majority vote of the House and Senate include:

1. Decisions by the President to provide import relief other than that recommended by the International Trade Commission,

2. Decisions by the President to retaliate against foreign countries discriminating against U.S. commerce on a most-favored-nation basis rather than against the specific offending country.

In addition to the implementing bills proposing changes in U.S. law as a result of nontariff barrier agreements under Title I, both Houses must approve by concurrent resolution the extension of trade benefits under future trade agreements negotiated by the Executive with nonmarket countries and either House may veto the extension of benefits to nonmarket countries which have entered into, prior to the enactment of this bill, trade agreements with the Executive. To assure greater Congressional oversight of these negotiations, five members of the House and five members of the Senate would be designated official advisors to the U.S. delegation.

International Trade Commission (Title I, Ch. 7).—The Committee's bill contains several provisions to foster the independence of and to strengthen the Tariff Commission. Because tariffs are no longer the major impediments to trade, the Commission would be renamed the United States International Trade Commission. The Commission would be expanded from six to seven commissioners, no more than four from any one political party. To enhance the commissioners' independence from Executive domination, commissioners' terms would gradually be lengthened to 14 years, but without reappointment.

would be rotated among the commissioners every two years. The Commission would be empowered to enforce its own subpoenas and to represent itself in court proceedings.

TITLE II. RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION

Industry Import Relief (Title II, Ch. 1).—The Committee bill would make major changes in the import relief measures provided in the Trade Expansion Act of 1962 for industries. Under present law, increased imports must be *in major part* the result of trade agreement concessions before import relief measures are undertaken; under the Committee's bill, no link to concessions would be required. Furthermore, under the proposed bill increased imports must only be *a substantial cause* of serious injury or the threat thereof ("substantial cause" is defined to mean a cause which is "important" and not less than any other cause) and no longer *the major factor* (generally assumed to mean a cause greater than all other causes combined) of such injury, as required by current law. If the International Trade Commission found imports were a substantial cause of serious injury (or threat thereof) to an industry, the President would be required to provide some form of import relief (duty increases, tariff-rate quotas, quantitative restrictions, orderly marketing agreements, or, under appropriate circumstances and upon a recommendation of the Commission, adjustment assistance). Under present law and under the House bill, the President could choose to do nothing to remedy the serious injury inflicted upon an industry from excessive imports. The Committee decided that whenever serious injury, or that threat thereof, was found to exist by the Commission, some form of relief was justified. The Committee also added a provision to the effect that if the Congess preferred the form of import relief proposed by the Commission to the relief provided by the Executive, a majority of those present and voting of both Houses could pass a resolution requiring the President to implement the relief recommended by the Commission.

Worker Adjustment Assistance (Title II, Ch. 2).—The Committee approved major modifications in the existing program of trade adjustment assistance for workers displaced by increased imports. These changes would make adjustment assistance more accessible to these workers. In addition to easing the eligibility tests, the level of benefits would be increased and there would be additional measures aimed at helping adversely affected workers to find new employment, including job search, training and relocation allowances.

Under the worker adjustment assistance provisions approved by the Committee, workers in a firm would qualify for trade adjustment benefits if the Secretary of Labor, within sixty days after the filing of a petition, finds that an absolute increase in imports *contributed importantly* to the workers' unemployment, and to a decrease in sales or production of the firm from which they have become unemployed.

Workers certified as eligible for trade adjustment assistance would receive benefits equal to 70 percent of each worker's average weekly earnings prior to the time he or she became unemployed for a period of up to 52 weeks (the duration of benefit eligibility could be extended for older workers and workers in training). This benefit level, however, could not exceed 100 percent of the national average weekly wage in manufacturing which is currently about $180.

Under the Committee bill, States would be responsible for meeting the basic costs of benefits for which workers would be eligible under existing State unemployment insurance programs. Supplemental benefits provided over and above that level would be paid for by the Federal Government.

The Program would cost the Federal Government an estimated $335 million in its first year and would expire September 30, 1980.

Firm Adjustment Assistance (Title I, Ch. 3).—Firms adversely affected by imports, which are found eligible for assistance, would be entitled to technical assistance as well as financial assistance in the form of loans and loan guarantees, as under present law. Under the Committee bill, the Secretary of Commerce would be required to reach his decision on a firm's adjustment assistance proposal no later than sixty days after receiving the firm's application. The injury test for firms would be virtually identical to that required of workers. The program of adjustment assistance for firms, like the worker adjustment assistance program, would expire September 30, 1980.

Community Adjustment Assistance (Title II, Ch. 4).—The Committee bill would establish a new program for community adjustment assistance intended to help restore the economic viability of areas adversely affected by increased imports. The Committee bill is intended to create new job opportunities in trade impacted areas. Under the bill, local governmental units would petition the Secretary of Commerce for a certification of eligibility to apply for assistance. Communities would be certified as eligible to apply for adjustment assistance if the Secretary determines that a significant number or proportion of the workers employed within the "trade impacted area" defined by the Secretary of Commerce have been or are threatened to become totally or partially separated, that sales or production of a firm or firms within the area have decreased absolutely, and that increased imports or the transfer of productive facilities to a foreign nation have contributed importantly to the unemployment or decline in sales or production. Eligible communities could receive a variety of developmental assistance including technical assistance and direct grants for the acquisition and development of land and improvements of public works and public services.

The bill contains several provisions designed to attract new investment to trade impacted areas. The Secretary of Commerce would be authorized to make loans to qualified applicants to acquire, construct, or modernize plant facilities or for such other purposes as the Secretary determines are likely to attract new investment and to create new, long-term employment opportunities within the area. The Secretary would be authorized to make loan guarantees available to qualified applicants under a joint security agreement with the Governor and/or local official in whose jurisdiction the trade impacted area lies (provided the locality's revenue sharing entitlement in previous years has exceeded its share of the guarantee). In order for the loan guarantee to be made, the Governor and/or local official would be required to sign a commitment pledging such a portion of the state and locality's next general revenue sharing entitlement as is necessary to cover up to 50 percent of the deficiency.

In the event of a default on a loan guarantee, the Secretary of Commerce would certify the circumstances and amount of the deficiency to the Seretary of Treasury; the Secretary of Treasury would reduce the state and/or locality's entitlement for the subsequent revenue sharing allotments by 50 per cent of the deficiency. The remaining half would be satisfied out of the general revenues of the Treasury. States would be permitted to enact alternative loan guarantee plans to satisfy any potential liability upon the approval of the Secretary of Commerce.

In order to encourage an increase in the participation of labor in the equity ownership of a corporation which receives special Federal assistance in the form of loan guarantees, the Committee required a qualifying corporation to adopt an employee stock ownership plan. Under the proposal, a corporation whose loan is guaranteed would be required to establish an employee stock ownership plan involving stock valued at least one-quarter the amount of the loan guarantee.

One hundred million dollars would be authorized for loans and direct grants during the first year; up to $1 billion in outstanding loans could be guaranteed at any one time. The community adjustment assistance program would also expire September 30, 1980.

Trade Statistics Monitoring System.—In order to facilitate the operation of the community assistance program, the Committee bill would establish a statistical monitoring system to correlate increases in imports with employment levels by economic sectors. The Committee bill would direct the Bureau of Census and the Bureau of Labor Statistics to develop a program to monitor import trends and to signal abrupt increases in imports which are likely to adversely affect employment in particular sectors of the economy which may be concentrated in particular geographic regions. Such data would be published periodically and made available on a timely basis to the Adjustment Assistane Coordinating Committee. The information could serve as an early warning of serious dislocation from abrupt increases in imports.

GAO Evaluation of Trade Adjustment Assistance.—The community assistance program would be a new and, the Committee believes, much needed adjunct to our international trade policy. In order for the Congress to better fulfill its oversight responsibilities over the program, and over the worker and firm programs, the Committee bill would terminate these provisions in five years and require a GAO evaluation study to be completed before the end of that period.

Relocation of Firms Outside the United States.—The Committee also felt that firms which make the decision to relocate in a foreign nation ought to assume certain responsibilities toward the employees displaced by foreign production. Under the Committee bill, firms which decide to close their productive facilities in a community and establish a facility producing like or similar articles in a foreign nation would be directed to:

1. Provide advance notice of at least 60 days to employees likely to be laid off;

2. Provide the same advance notice to the Secretary of Labor and the Secretary of Commerce explaining the reason for the relocation;

3. Apply for and utilize all economic adjustment assistance to which they are entitled;

4. Offer alternative employment opportunities to dislocated workers in other facilities within the U.S. wherever they exist; and

5. Assist in the relocation of these workers to other communities in which employment opportunities exist.

TITLE III. RELIEF FROM UNFAIR TRADE PRACTICES.

Generally.—The Committee's bill substantially revises Executive authority under existing law to respond to foreign unfair trade practices, including authorities under the Trade Expansion Act of 1962, the Antidumping Act of 1921, and the Tariff Act of 1930. The Committee's intention generally has been to assure a swift and certain response to foreign import restrictions, export subsidies, and price discrimination (dumping) and other unfair foreign trade practices, through the revision of U.S. laws.

A. *Retaliation Against Foreign Import Restrictions; Export Subsidies and Withholding of Supplies* (Title III, Sections 301-

302).—Under Section 301 of the bill, the President would be authorized to retaliate against foreign countries which impose unjustifiable or unreasonable restrictions against U.S. Commerce. The Committee agreed to amend Section 301 of the House bill to make it explicit that the President has authority to retaliate against countries which maintain such restrictions against U.S. *services* as well as U.S. trade in goods. Discrimination against U.S. services would include, but not be limited to, discrimination against U.S. shipping, aviation, and insurance industries. Retaliation could occur with respect to foreign services as well as foreign merchandise.

In order to make section 301 a more effective tool against foreign practices and policies adversely affecting the U.S. economy, the Committee also provided a complaint procedure whereby interested parties could petition the Special Representative for Trade Negotiations to conduct a review, with public hearings of such alleged practices and policies. The Special Representative would be required to report to Congress on a semi-annual basis concerning the status of the reviews undertaken pursuant to this section.

The Committee bill would require that actions taken by the President under Section 301 should generally be on a selective basis, that is, only against those countries found to discriminate against U.S. commerce. The Committee retained the provision of the House bill under which the President would have the discretion to act on a selective or a most-favored-nation (that is across-the-board) basis when retaliating against unjustifiable import restrictions. However, the Committee provided that Congress could overrule the President's determination to act against "innocent" countries and require, by concurrent resolution, that the President act only against the offending country (or countries) maintaining unreasonable or unjustifiable restrictions against U.S. commerce or withholding supplies.

The Committee's decision to give the power of retaliation in situations in which a foreign nation withheld supplies of needed commodities without justification complements other features of the bill directing the President to negotiate new, enforceable rules with respect to export restraints. In an international economic period characterized by widespread shortages and inflation, this is a vital aspect of the trade negotiations.

B. *Antidumping Duties* (Title III, Section 321).—The bill would make several significant changes in the antidumping statute to improve the U.S. response to foreign price discrimination practices.

1. *Home market prices.*—The Committee bill would direct the Secretary of the Treasury to require that certified import invoices include data reflecting the home market price and the purchase price of each article imported in the U.S. Also, the importer would be required to state whether he has knowledge of a bounty or grant (subsidy) on the article by the exporting country. Confidential information would be protected.

2. *Equal hearing rights.*—Under the House bill, foreign manufacturers and importers would have an automatic right to a hearing before the Secretary of the Treasury or the Commission in connection with less-than-fair-value or injury determinations made under the Antidumping Act. Other persons, including domestic manufacturers, could appear at such hearings only upon a showing of good cause. The Committee bill would amend the House bill to provide that U.S. manufacturers, producers, or wholesalers of the merchandise, as well as foreign manufacturers, exporters and domestic importers, would have an equal and automatic right to appear at such hearings.

3. *Preliminary injury determination.*—The Committee bill would authorize the Secretary of the Treasury, when he concluded that there was substantial doubt that a U.S. industry was being injured by "dumped" imports, to refer the initial dumping complaint to the Commission for its consideration. If the Commission determined that there was no reasonable indication of injury, it would notify the Secretary within 30 days and the dumping investigation would terminate.

4. *Time limits.*—The Committee bill, like the House bill, would require that the initial determination whether there is reason to believe that there are less-than-fair-value sales be made within 6 months from the date on which the antidumping proceeding notice is published. (This period for initial determination could be extended to 9 months in complicated cases.) The Committee amended the procedure to require that the antidumping proceeding notice must be published within 30 days of the receipt of an antidumping complaint by the Secretary of the Treasury.

5. *Multinational corporation dumping.*—The Committee bill would authorize the Secretary of the Treasury to impose dumping duties when a multinational corporation operating in several foreign countries supports low-priced exports to the United States through high-priced sales by other subsidiaries located in other foreign countries. Specifically, when the Secretary determines that:

(1) merchandise exported to the U.S. is produced in facilities owned or controlled by a person, firm, or corporation which also owns or controls similar facilities in other countries;

(2) there are little or no sales in the home market of the exporting country; and

(3) sales of like or similar merchandise made in other countries are at prices substantially higher than the prices charged for goods produced in the exporting country and such price differentials are not justified by cost differences,

the Secretary could determine the foreign market value by looking at the higher prices (adjusted for differences in cost of production) at which similar merchandise is sold by other foreign facilities located outside the exporting country. The dumping duty could then be assessed in an amount equal to the difference between the purchase price in the U.S. (or the exporter's sale price) and the higher foreign market value of goods sold by the third country subsidiaries rather than the lower foreign market value of the goods actually exported to the United States.

6. *Judicial review.*—The bill authorizes judicial review for U.S. producers and manufacturers in the U.S. customs courts of negative antidumping decisions made by the Secretary of the Treasury. Importers and foreign producers are entitled to judicial review under current law.

C. *Countervailing Duties* (Title III, Section 331).—Section 303 of the Tariff Act of 1930 requires the Secretary of the Treasury to impose countervailing duties upon imported merchandise if its manufacture, production, or export has benefited directly or indirectly from a bounty or grant (subsidy). Section 331 of the bill would make major procedural as well as substantive changes in the countervailing duty law to improve the operation of the statute:

1. *Beginning of time period for investigation.*—Under the House bill, the time period for concluding countervailing duty investigations would run from the date on which the question was presented to the Secretary of the Treasury, a date which is left to the discretion of the Secretary following the receipt of a petition. The Committee bill provides that the time period for countervailing duty investigations would begin to run from the date a petition is presented to the Secretary of the Treasury. Notice of the receipt of such petition would be published in the Federal Register.

2. *Time limits; conditional discretion and Congressional override.*—Under the House bill, the Secretary of the Treasury would have one year to conclude an investigation to determine whether or not an imported product is subject to a bounty or grant. Furthermore, the House bill would have allowed the Secretary four additional years in which to waive the imposition of countervailing duties whenever he determined that imposition of such duties would prejudice trade negotiations with countries affected. The Committee felt that this discretionary authority was without sufficient safeguards and could result in serious injury to U.S. industries. Consequently, the Committee provided that:

(a) The Secretary of the Treasury would have six months from the date of the petition in which to make a preliminary determination as to the existence of a bounty or grant.

(b) If the initial determination indicated the likely existence of a bounty or grant, the Secretary of the Treasury would have an additional six months to negotiate with the particular foreign country(ies) in an attempt to obtain the elimination of the bounty or grant.

(c) If the bounty or grant, or any portion thereof, remained in effect, the Secretary of the Treasury would then be required to issue a final countervailing duty order following the end of the second six-month period (total time period one year from date of petition). However, he may suspend the application of the order if he determined that:

(i) adequate steps had been taken substantially to reduce or eliminate the adverse effect of the bounty or grant;

(ii) there is a reasonable prospect that successful trade agreements will be entered into, under section 102, with foreign countries providing for the reduction or elimination of nontariff barriers; and

(iii) the imposition of countervailing duties would be likely to seriously jeopardize the satisfactory completion of such negotiations.

The suspension must be ended if any of the conditions described above do not continue, and may be ended at any time. The authority of the Secretary to suspend countervailing duties would expire after two years from date of enactment of the bill. The initial determination, the results of any negotiation, and any final determination (including suspension of countervailing duties) would be made public.

(d) If the Secretary decided to suspend the imposition of countervailing duties, he would immediately report his determination to Congress. At any time thereafter, either House of Congress could, under the veto procedure agreed to by the Committee, vote by simple majority to override the Secretary's decision and to require the Secretary to impose immediately the countervailing duties.

(e) Countervailing duty orders by the Secretary of the Treasury would go into effect immediately upon publication of the order in the Federal Register (no later than one year after the date a petition is submitted to the Secretary). In the case of a Congressional override, notice of countervailing duties would be published and such duties would go into effect the day after the date of the adoption of the resolution of disapproval.

(f) The determination by the Secretary of the Treasury that no bounty or grant exists would be subject to judicial review. Under existing law, only positive determinations are subject to judicial review.

3. *Exception for products subject to quotas.*—The Committee bill deletes the language in the House bill which would have provided the Secretary of the Treasury the

discretion to waive the imposition of countervailing duties for products subject to quantitative restrictions. The House provision would have applied primarily to agricultural products subject to quotas under Section 22 of the Agricultural Adjustment Act of 1933.

D. *Unfair Import Practices* (Title III, Section 341).—Section 337 of the Tariff Act of 1930 authorizes the Tariff Commission to investigate alleged unfair methods of competition in the importation of articles or in the sale of imported articles in the United States. It has been most often applied to articles entering the United States in violation of claims under U.S. patents. Under present law, if the Commission finds the effect of such methods is to destroy or substantially injure an industry efficiently and economically operated in the United States, to prevent the establishment of an industry or to restrain or monopolize trade or commerce in the United States, the articles involved *may* be excluded from entry into the United States by the Secretary of the Treasury at the direction of the President.

Section 341 of the House bill would amend section 337 of the Tariff Act of 1930 to authorize the Commission, itself, to order the exclusion of articles involved in unfair methods and acts based upon United States patents.

The Committee bill, on the other hand, would authorize the Commission to order the exclusion of articles in all cases under section 337, patent and nonpatent. The Committee bill would also permit the Commission to issue cease and desist orders rather than exclusion orders whenever it deemed such action a more suitable remedy. If the cease and desist order were not adhered to, the exclusion order would go into effect. More specifically, the Committee bill incorporates the following provisions:

1. *Time limits for action.*—The Committee bill would require that International Trade (Tariff) Commission investigations of unfair trade practices under section 337 be completed within a one-year period. The Commission would be given an additional 6 months in complicated cases, provided that it publish the reasons for the extension. Any period during which the Commission's investigation is suspended because of proceedings in a Federal court or agency involving the same subject matter, would be excluded from the time periods.

2. *Investigations by the Commission.*—During its investigations under section 337, the Commission would be directed to consult with the Departments of Justice, Health, Education, and Welfare, the Federal Trade Commission, and other government agencies when appropriate. In making its determinations as to whether or not to act, the Commission would be required to take into consideration, in addition to the criteria currently set out in section 337(a), the effect which such action would have on the general health and welfare, on competitive conditions in the economy, on the production of like or competitive merchandise in the United States, and on consumers. These considerations could be overriding.

3. *Presidential intervention.*—Following the issuance of exclusion or cease and desist orders by the Commission, the President would have 60 days in which to intervene and override the Commission's decision where he determined it necessary because of overriding policy reasons.

4. *Patent cases.*—The House bill would be amended to provide that price gouging be considered by the Commission as a valid defense in section 337 patent cases, along with other legal and equitable patent defenses. Under the Committee bill, the remedies in section 337 patent cases would not apply to imports by the U.S. Government. Such actions against the Government would be brought in the U.S. Court of Claims.

5. *Bonding procedure.*—Temporary exclusion orders may be issued in certain circumstances under section 337; in such cases (and also during the 60-day period for Presidential intervention), provision is made for entry under bond. The Committee bill would amend section 337 to require the Secretary of the Treasury, prior to levying a bond, to acquire the advice of the Commission concerning the amount of the bond in both patent and nonpatent cases.

6. *Transitional measures.*—The Committee bill would require the Commission to complete within one year its investigations on all section 337 cases pending on the date of enactment of the trade bill.

7. *Res judicata, collateral estoppel.*—Under the Committee bill, decisions by the U.S. Court of Customs and Patent Appeals reviewing Commission decisions under section 337 should not serve as res judicata or collateral estoppel in matters where U.S. District Courts have original jurisdiction.

TITLE IV. TRADE RELATIONS WITH COUNTRIES WHOSE PRODUCTS ARE NOT CURRENTLY RECEIVING MOST-FAVORED-NATION (NONDISCRIMINATORY) TREATMENT IN THE U.S. MARKET

Title IV of the House bill would authorize the President to extend, under certain circumstances, most-favored-nation (nondiscriminatory) trade concessions to countries whose products do not currently receive such treatment. The only countries not now receiving nondiscriminatory treatment in the U.S. market are the communist nations (with the exception of Poland and Yugoslavia, whose products do receive such treatment). Under Section 231(a) of the Trade Expansion Act of 1962, the President is precluded from extending nondiscriminatory or column 1 treatment to countries not currently receiving such treatment.

Title IV would impose several conditions on the delegation of authority to the President to extend nondiscriminatory treatment. Section 402 would provide that no country would be eligible to receive nondiscriminatory tariff treatment or U.S. Government credits, credit guarantees or investment guarantees if the President determines such country:

(1) denies its citizens the right or opportunity to emigrate;

(2) imposes more than a nominal tax on emigration or on the visas on other documents required for emigration, for any purpose or cause whatsoever; or

(3) imposes more than a nominal tax, levy, fine, fee or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice.

The Committee bill retains the House bill language in section 402 relating to freedom of emigration. The Committee reserves the right to recommend to the Senate such amendment as may be necessary to clarify the requirements of section 402 after conducting public hearings on the subject and before consideration of the bill on the floor of the Senate.

A country would become eligible for nondiscriminatory treatment under this title only after the President determined that it was not violating any of the above conditions and so reported his determination to the Congress. Any country which was found to be denying its citizens the rights to emigrate would also be prohibited from receiving any U.S. Government credits, credit guarantees, or investment guarantees, and from entering into a bilateral trade agreement under section 403. Following receipt of the initial report by the President to the Congress under section 402, either House could veto the extension of Government credits and guarantees to the country concerned by a majority veto within 90 days.

Under the Committee bill, only countries entering into bilateral agreements with the United States could receive nondiscriminatory treatment. The House bill would have granted nondiscriminatory treatment to countries which are members of the GATT. Nondiscriminatory treatment would remain in effect only so long as a trade agreement remained in force between the United States and the country concerned. The President, however, would have the authority to suspend or withdraw nondiscriminatory treatment to any country at any time.

Under section 403, nondiscriminatory treatment for any country which had entered into an agreement with the United States for the settlement of lend-lease debts would be limited to periods in which the country was not in arrears on its obligations under the agreement. The Soviet-American lend-lease settlement agreement, on the other hand, conditions the Soviet Union's fourth and all subsequent lend-lease payments upon the extension of nondiscriminatory treatment by the United States.

All future bilateral agreements entered into between the United States and a nonmarket economy nation would be subject to approval by both Houses of Congress before the President could proclaim trade concessions. The one-House veto provision in the House bill would still apply to the extension of nondiscriminatory treatment under the U.S.-Soviet commercial agreement. Furthermore, following receipt of the annual December report of the President under sections 402 and 403, either House could, within 90 days, veto the continued extension of MFN treatment or granting of government credits or guarantees to any country receiving nondiscriminatory treatment under Title IV. Trade benefits under any bilateral agreement would be limited to an initial period not exceeding three years. Thereafter, an agreement could be renewed for additional periods, each of not more than three years, providing that a satisfactory balance of concessions in trade and services had been maintained and that U.S. reductions in trade barriers had been reciprocated by the other party. Services would include transportation and insurance and other commercial services associated with international trade.

Bilateral agreements would be required to include provisions for: (1) suspension or termination for reasons of national security, (2) safeguards against disruption of domestic markets, (3) protection of patents if the other party is not a member of the Paris Convention for the Protection of Industrial Property, (4) settlement of commercial disputes, and (5) consultations for reviewing the operation of the agreement and relevant aspects of relations between the United States and the other party. Bilateral agreements could also include arrangements for the protection of industrial rights such as copyrights, promotion of trade, and other commercial arrangements promoting the purposes of the bill.

Market disruption.—The Committee bill contains significant improvements in the provisions of the House bill designed to avert disruption of U.S. markets by imports from nonmarket economies.

1. *Safeguard provisions in commercial agreements.*—Under the Committee bill, consultation procedures and rules would be written into all commercial agreements with nonmarket countries similar to Article 3 and Annex I of the U.S.-U.S.S.R. Trade Agreement.

2. *Petition for consultation.*—The Committee bill would permit trade associations, firms, and unions to petition the Special Representative for Trade Negotiations to initiate consultation procedures between the U.S. and the particular nonmarket economy upon a showing of likelihood of market disruption as a result of imports entering under

a commercial agreement negotiated pursuant to Title IV.

3. *Relief from market disruption.*—The Committee bill would amend the market disruption provisions of the House bill to provide that market disruption may be found to exist upon a determination by the International Trade (Tariff) Commission that an article from any communist country is being, or is likely to be, imported into the United States in such increased quantities as to be a significant cause of material injury, or the threat thereof, to a domestic industry. The Commission would have three months to conclude its investigation under section 406, as amended by the Committee. These provisions would apply to all communist countries.

4. *Expedited relief.*—The Committee bill would authorize the President to take immediate action whenever he determines that a condition eixsts requiring emergency treatment. This "fast track" authority would apply to both the consultative procedures undertaken by the STR and the market disruption relief provisions in section 406, as amended by the Committee.

5. *Selective application.*—The Committee bill would limit the President's authority to impose import restrictions only to the products from nonmarket countries which are causing the market disruption.

Claims settlement with Czechoslovakia.—Under the Committee bill, Czechoslovakia would not be eligible to receive most-favored-nation treatment, U.S. Government credits or guarantees, or the release of Czechoslovakian gold until the Government of Czechoslovakia first pays all principal amounts it owes U.S. citizens on awards rendered by the United States Foreign Claims Settlement Commission.

Cooperation in locating MIA's in Southeast Asia.—Title IV of the Committee bill includes a provision which would condition the extension of MFN treatment and government credits to nonmarket economies upon a Presidential determination that such countries had undertaken to obtain the cooperation of the pertinent governments in Southeast Asia in locating U.S. personnel missing in action, in repatriating those who are alive, and in recovering the remains of those who are dead.

TITLE V. GENERALIZED SYSTEM OF PREFERENCES

General Authority.—Title V of the bill would provide the President with general authority to extend duty-free treatment to eligible products imported into the United States from beneficiary developing countries for a 10-year period. The essential features of the program would be as follows:

The President would be authorized to extend duty free to specified products imported from developing countries;

The President would designate beneficiary developing countries; 26 countries are expressly excluded;

Eligible articles would have to be imported directly from the developing country; the value added in that country must be at least a minimum percentage (35%) of the value of the article, except in those cases where the country is a member of a free trade association in which the local content from association countries must be 50%;

Articles subject to escape clause or national security relief would be excluded;

Articles imported from any one country would be excluded if the imports of the article from that country exceed $25 million or 50% of total U.S. imports of that article;

The system would be reviewed in a report to Congress after five years and would expire after ten years.

In addition, the Committee bill includes the following provisions:

1. *Beneficiary developing countries.*—The Committee bill would exclude countries within the following categories from eligibility to receive generalized preference under Title V of the bill:

a. All Communist countries.

b. Any country which has entered into a cartel-type arrangement, the effect of which is to withhold supplies of vital materials or to charge a monopolistic price which creates serious disequilibrium in the world economy. This category would be applied explicitly to all member countries of the Organization of Petroleum-Exporting Countries (OPEC). Countries which are members of such cartels as OPEC, could only qualify for preferential treatment in the U.S. market if they entered into an agreement with the United States or an agreement to which the United States is a party, which assures U.S. access to essential articles at reasonable prices.

c. Any country which has expropriated the property of a U.S. national without provision for prompt, adequate, and effective compensation or without submitting the dispute to arbitration or carrying on good-faith negotiations.

d. Any country which has not taken adequate steps to prevent narcotics and other controlled substances from unlawfully entering the United States.

2. *Reverse preferences.*—Under the House bill, countries which grant reverse preferences to developed countries are not eligible for generalized preferences under Title V. The Committee bill would amend this section to provide that countries could be eligible for generalized preferences if they eliminate such preferences by January 1, 1976, or if they take steps to assure that such preferences do not have a significant adverse effect on U.S. commerce by January 1, 1976.

3. *Insular possessions.*—The Committee bill includes a provision stipulating that insular possessions of the United States must receive treatment no less favorable than that accorded any other developing country with respect to any eligible product under Title V of the bill.

4. *Sensitive products.*—The Committee understands that articles which are sensitive articles, including, but not limited to, those described in a letter from the Special Representative for Trade Negotiations, would be excluded from preference eligibility under Title V of the bill. The President would exclude such products as he deems would be sensitive after receiving the Commission's report.

5. *Access to markets and commodity resources.*—The Committee bill would require the President to take into account the extent to which a developing country was providing the United States equitable and reasonable access to its markets and basic commodity resources in determining whether to designate such country as eligible to receive preferences under Title V.

6. *Termination of preferential treatment.*—The Committee bill would extend the time period for notification to the Congress of a Presidential decision to terminate preferential treatment for a developing country from 30 days (under the House bill) to 60 days prior to the time the determination takes effect. Furthermore, the amendment would require that the country involved also be notified within 60 days prior to the effective date of the termination of its preferential treatment.

7. *Local content (value added) requirement.*—Under the House bill, a developing country exporting a product to the United States would have to provide between 35 percent and 50 percent of the value of the product upon importation into the United States in order to be eligible for duty-free treatment. Under the Committee bill, less developed countries which are members of a free trade area or customs union and designated by the President could be aggregated in applying the local content requirement under Title V of the bill. Such countries would also be aggregated for purposes of the competitive need formula. However, in any case where more than one developing country has contributed to the value of a product, a flat local content requirement of 50 percent would be applied. In those cases where only one developing country had contributed to the value of a product, a flat local cost requirement of 35 percent would be applied.

8. *Increases in gross national product.*—Under the House bill, any product is imported into the United States from any developing country in an amount equal to more than $25 million in value in any one calendar year would lose its eligibility for duty-free treatment under Title V of the bill. The Committee bill includes an escalator provision which would provide for an annual percentage increase in the $25 million figure equal to the percentage increase in the U.S. gross national product for the year preceding the year in question over the U.S. gross national product in 1974.

9. *Products not produced in the United States.*—The Committee bill would exempt any product from the 50-percent-of-total-imports ceiling in Title V of the bill where there is no directly competitive article produced in the United States. Thus, even if a product from a particular developing country represents more than 50 percent of total U.S. imports of that product in any one calendar year, it would still be eligible for duty-free treatment under Title V of the bill if there were no directly competitive article produced in the United States. Under certain circumstances, the President could waive the 50 percent or $25 million ceiling.

TITLE VI. GENERAL PROVISIONS

Title VI of the bill contains general provisions covering definitions, relations to other laws, conforming changes in the tariff schedules and other matters.

Of particular significance are the following provisions of the Committee bill:

Services.—The Committee bill would amend Title VI to make it explicit that whenever the term "commerce" is used throughout the trade bill, it is to include by definition services associated with international trade. Furthermore, the term "trade" in Title I of the bill is defined to include trade in goods and services.

Narcotics.—Title V of the Committee bill would condition the extension of preferential treatment to a developing country upon a requirement that it take adequate steps to prevent narcotics and other controlled substances from unlawfully entering the United States. Consistent with this, the Committee bill would delete Section 606 of the House bill which would have required the President to embargo trade and investment with any country which the President determined had failed to take adequate steps to prevent narcotic drugs and other controlled substances from unlawfully entering the United States. In lieu of the embargo provision, a provision in Title VI of the Committee bill would require the President to report to the Congress describing where dangerous drugs are being produced abroad, refined and shipped to the United States, and of the steps these specific countries have taken with respect to controlling the production and transportation of such products.

Uniform Import Statistical Collection and Reporting.—The Committee bill would direct the appropriate agencies to collect and publish uniform statistics on imports, exports and production. At the present time, trade statistics and production data are collected in such a manner as to make comparisons impossible.

Trade Statistics.—The Committee bill would require that the Executive Branch submit monthly to the Senate Committee on Finance and House Committee on Ways and Means trade data which would include

in all import values the cost of insurance, port charges and freight and would exclude from all export values soft currency sales and long-term foreign aid shipments.

Voluntary Steel Restraint Agreement.—The Committee bill includes a provision which would immunize persons from prosecution under state and Federal antitrust laws by reason of their participation in the voluntary arrangement regarding steel imports to the United States which expires December 31, 1974.

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HOUSE BILL	COMMITTEE BILL
TITLE I. NEGOTIATING AND OTHER AUTHORITY	
Sections 101–163	Sections 101–175
TRADE AGREEMENTS AUTHORITY	
Five-year authority to enter into trade agreements, proclaim rate changes, and negotiate nontariff barriers.	Time limitations on trade agreement authority the same as in House bill.
Limits on tariff decreases: *Rates 5 percent ad valorem or less—no limitation *Rates more than 5 percent but less than 25 percent ad valorem—60 percent reduction *Rates 25 percent ad valorem or more—75 percent reduction subject to 10 percent ad valorem "floor"	Limits on tariff decreases: *Rates 10 percent ad valorem or less—no limitation *Rates more than 10 percent ad valorem—50 percent reduction
Limits on tariff increases: *the higher of: 150 percent of 1934 rates, or 120 percentage points above 1973 rates.	Limits on tariff increases: *Essentially unchanged from House bill.
NONTARIFF BARRIERS (NTB'S)	
(1) Congressional intent: President should take all steps to reduce or eliminate trade barriers To extent feasible, balance should be sought for major product sectors	(1) Congressional intent: NTB scope broadened to include: *subsidies adversely affecting the U.S. economy, and measures preventing fair and equitable access to supplies, *and* *trade barrier *harmonization*, as well as reductions or eliminations to be sought. To maximum extent feasible, agricultural tariffs and NTB's to be negotiated in conjunction with industrial tariffs and NTB's. To extent feasible, sector-by-sector negotiations to occur on the basis of appropriate product sectors of manufacturing. Principal objectives in the negotiation of NTB's to include agreements on international safeguards procedures and to provide availability of essential articles at reasonable prices.
(2) Where no change in U.S. law is required (as determined by President), President could negotiate and implement nontariff trade agreement Where change in U.S. law is required (as determined by President), change would become law unless vetoed by either House or Senate within 90 days.	(2) The President would be authorized and encouraged to negotiate bilateral agreements with foreign countries if such agreements would better serve U.S. economic interests than multilateral agreements. In addition, the President would be directed to negotiate an agreement with Canada aimed at the mutual elimination of trade barriers. (3) All NTB agreements to be submitted to Congress, and to enter into effect only after enactment of necessary implementing legislation by both Houses of Congress. (Congressional Approval Procedure.)
STAGING REQUIREMENTS	
Annual tariff reductions may not exceed the greater of— 3 percentage points in the tariff rate, or 3/15 of the total reduction. No staging requirement where existing tariff is reduced 10% or less.	Where reductions are greater than 20 percent ad valorem— * annual reductions shall not exceed 3/10 of the total. Where reductions are not greater than 20 percent ad valorem— * annual reductions shall not exceed 2 percent ad valorem. Reductions of 10 percent or less of the existing rate—same as House bill.
GATT REVISION AND AUTHORIZATION	
(1) President shall renegotiate GATT articles dealing with: * decision-making procedure (weighted voting) * import relief * unfair trade practices * international fair labor standards * border taxes * balance of payments measures	(1a) President to renegotiate GATT articles on new codes on trade principles noted in House bill, and, *in addition:* * access to supplies, including rules governing export controls, denial of supplies, and consultations on supply shortages * the extension of GATT to deal with countries which deny goods and thereby injuring the international community * any revisions necessary to establish regular consultations * elimination of special reverse preferences * flexible monetary mechanisms * code on subsidies and foreign investment incentives * agreements on extraterritorial application of national laws. (1b) Agreements covering the above which require modification of Federal laws would be subject to congressional approval.
(2) Authorizes appropriations for existing GATT	(2) Appropriations for GATT authorized without implied approval or disapproval of the Agreement.
BALANCE OF PAYMENTS AUTHORITY	
(1) When U.S. has large *deficit:* * Impose import surcharge of up to 15% and/or impose temporary quotas * 150 day limit (2) When U.S. has large *surplus:* * Reduce duties by not more than 5 percentage points * Reduce or suspend other import restrictions * 150 day limit	(1) President *directed* in deficit situations to take House-specified corrective actions for up to 180 days, unless he determines and so informs Congress, that the corrective actions would be contrary to the national interest. (2) Changed to deal with *balance-of-trade* surplus, (imports measured on CIF basis). * Remedies essentially unchanged from House version, except that uniform product coverage generally required

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HOUSE BILL	COMMITTEE BILL
ANTI-INFLATION AUTHORITY	
Authorizes President to reduce or suspend duties and/or increase level of imports subject to quotas Coverage limited to 30% of U.S. imports during any 150-day period Excludes articles subject to proclamations under sec. 22 of the Agricultural Adjustment Act, those subject to import restrictions under national security provisions, and those subject to import relief actions	Anti-inflation authority deleted.
OTHER AUTHORITIES DELEGATED TO THE PRESIDENT	
(1) Compensation for import relief measures— • Authority available after 5 years • Tariffs may be cut up to 30% • No provision for increasing tariffs once import relief measures are terminated	(1) Compensation authority essentially unchanged from House bill; *however*, compensation not authorized to countries where the United States has not obtained adequate compensation for past trade agreement violations. Compensation phased out when import relief measures terminate.
(2) Renegotiation of duties ("clean-up" authority) • 2-year authority after 5-year trade agreement authority expires • 20% tariff reduction permitted, subject to general trade agreement limits • Coverage limited to 2% of U.S. imports	(2) Renegotiation authority essentially unchanged from House bill.
(3) National security provisions— • Articles excluded from any action reducing duties or other import restrictions where such action would threaten national security • Articles subject to national security or import relief actions excluded from negotiations, and anti-inflation and compensation actions	(3) Basic national security provisions generally unchanged; *however*, a complaint procedure established whereby petitions for relief from imports threatening to impair the national security would be submitted to the Secretary of the Treasury who shall consult with DOD and other appropriate agencies. Secretary's determination to be made within one year.
TERMINATION AND WITHDRAWAL	
(1) Trade agreements must include provision permitting termination or withdrawal within 3 years, and thereafter upon 6 months' notice	(1) Essentially unchanged
(2) President may at any time terminate tariff reductions proclaimed pursuant to negotiated trade agreement	(2) Unchanged
(3) In order to exercise rights and obligations under any trade agreement, President given specific authority to suspend application of trade agreement and proclaim duty increases	(3) Essentially unchanged
(4) Trade agreement tariff rate may remain in effect 1 year following termination of trade agreement; President submits recommendation for new tariff rates to Congress within 60 days after termination	(4) Essentially unchanged
	(5) President directed to suspend trade agreement obligations and increase duties whenever any foreign country compromises its concessions to the United States without providing adequate compensation.
RECIPROCAL NONDISCRIMINATORY (MFN) TREATMENT	
Generalized unconditional MFN treatment specified except as otherwise provided in TRA or other laws.	Generalized unconditional MFN treatment specified, *but:* • after 5 years the President to determine whether any major industrialized country has failed to make concessions to the United States equivalent in competitive opportunities to those provided by U.S. trade agreement concessions • If a major industrialized country has not made concessions providing for substantially equivalent competitive opportunities the President would be required to withdraw U.S. concessions made in the Trade Agreements Program with respect to that country • The reciprocal MFN treatment described above shall apply to Canada, the EEC, Japan, and any other country so designated by the President.
CONGRESSIONAL PROCEDURE WITH RESPECT TO PRESIDENTIAL ACTION	
Congressional Veto Procedure Applies: • to nontariff barrier trade agreement submitted to Congress • to escape clause, quota, or orderly marketing relief • to retaliation against unfair trade practices • to extension or continuation of nondiscriminatory tariff treatment *Congressional Veto Procedure:* • President transmits proclamation or agreement to Congress • Resolution of disapproval must be introduced and referred to Committee • Committee has 7 calendar days to consider resolution; member favoring disapproval can move to discharge resolution (no amendments permitted) • Floor debate on motion to discharge, or if reported out, on resolution of disapproval (no amendments permitted) • If either House approves resolution of disapproval, agreement or proclamation does not take effect. • *Provided* veto procedure completed within 90 legislative days.	*Congressional Approval Procedure Applies:* • to all nontariff barrier trade agreements, • to GATT revisions requiring modification existing domestic law (if modification submitted in accordance with Sec. 151) • to bilateral trade agreements with non-MFN countries entered into after enactment. *Congressional approval procedure (Sec. 151)* • Implementing bill or approval resolution submitted by President and introduced in each House (no amendemnts permitted) • Committees have 45 working days to consider (automatic discharge provided) • Bill or resolution sent to floor, vote within 15 working days (in the case of revenue bills coming from the House, the Senate is guaranteed up to 15 working days consideration in Committee and up to 15 working days before final vote on the floor). • Rules, in effect, require vote on final passage within 60 working days, or in the case revenue bills within 90 working days, but no overall time limits are specified. • Failing enactment or adoption the measure cannot enter into force. *Congressional Veto Procedure (Two-House Disapproval) Applies:* • to Presidential import relief where different than Commission's recommendation (60-day time limit)

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HOUSE BILL	COMMITTEE BILL
TITLE II. RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION	
Sections 201–264	Sections 201–283
CRITERIA FOR FINDING INJURY	
Escape clause *Industry.*—Tariff Commission finding within 6 months; increased imports must be a substantial cause of serious injury (i.e. not less than any other cause)	*Escape clause* *Industry.*—Injury determination and criteria unchanged, except that an *absolute* increase in import must occur.
Adjustment assistance *Workers.*—Secretary of Labor determination in 60 days that: *a significant number or proportion of workers have become totally or partially separated, *sales or production have decreased, and *increased imports contributed to decline in sales or production *and* to separation of workers *Firms.*—Secretary of Commerce determination in 60 days; same criteria as worker injury No similar provisions.	*Adjustment assistance* *Workers.*—Criteria unchanged *except that* *Secretary given subpena powers to help him obtain evidence necessary for his determination, *judicial review of negative divisions explicitly provided for, *and* **absolute* increase in imports must occur. *Firms.*—Criteria unchanged *except that absolute* increase in imports must occur. *Communities.*—Secretary of Commerce determination in 60 days that: *a significant number or proportion of workers *in the trade impacted area in which the community is located* have become totally or partially separated, *sales or production of firms *in the trade impacted area* have decreased, **absolute* increases in imports like or competitive with those produced in *the trade impacted area, or* the transfer of firms *from the area to foreign countries* have contributed to the decline and separations, and *the Secretary to establish boundaries of trade impacted areas.
REMEDIES FOR INJURY	
Escape clause *Industry.*—President may provide relief only in following order of preference: tariff increase; tariff-rate quotas; quotas; and orderly marketing agreements (the latter 2 are subject to Congressional veto procedure); or any combination of the above.	*Escape clause* *Industry.*—President *must* provide import relief of the types specified in the House bill, but in any order of preference. Congress can impose Commission remedy if it differs from Presidential relief (Presidential actions different from Commission remedy subject to Congressional veto procedure). Orderly marketing agreements may be substituted for other forms of relief and vice versa. Commission authorized to recommend adjustment assistance for firms and workers as a type of industry relief in certain circumstances. Congressional veto procedure for quotas and orderly marketing agreements, and Presidential termination of import relief upon national interest determination *deleted*. * to Presidential retaliation on an MFN basis against unjustifiable or unreasonable restrictions (90-day time limit) *Two- House Disapproval Procedure (Sec. 152):* * Resolution of disapproval must be introduced in either House and referred to Committee, * If Committee does not report resolution in 30 days motions to discharge are in order (no amendments permitted) * Floor debate limited * Both Houses must adopt resolution by majority vote * Procedure must be completed within time limits specified; otherwise Presidential action enters into force. *Congressional Veto Procedure (One-Hour Disapproval) Applies:* * to Secretary's determination not to apply countervailing duties during 5-year discretionary period (no time limit) * to bilateral trade agreements with non-MFN countries entered into before enactment. (90-day time limit) * to all annual reviews of MFN treatment and government credits and guarantees under Title IV (90-day time limit) * to U.S. Government credits and investment guarantees initially extended after date of enactment. *One-House Disapproval Procedure (Sec. 152):* Same as two-House method except that adoption by majority vote of those present and voting in *either* House, within time limits specified, is sufficient to prevent action.
UNITED STATES TARIFF COMMISSION	
No similar provisions.	(1) Tariff Commission renamed the "United States International Trade Commission." (2) Membership and term of office: * Membership increased from 6 to 7 Commissioners; no more than 4 of the same political party. * Terms of office increased from 6 to 14 years with one term expiring every other year. * Commissioners serving more than 7 years after enactment of the bill may not be reappointed. * Chairman and Vice-Chairman to rotate with assignments normally determined by seniority. (3) Other changes:

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HOUSE BILL	COMMITTEE BILL
	• Commission pay up-graded. • Voting record of Commissioners to be published. • Commission to be represented in court by its own attorneys or by the Attorney General at its discretion. • Commission given independent budget, annual authorizations.
Adjustment assistance	*Adjustment assistance*
Workers.—Cash benefits equal to 70 percent of workers previous weekly wage for 26 weeks, and 65 percent for next 26 weeks; not to exceed national average weekly wage • Relocation allowances for any unemployed worker; job search allowances up to $500 • Employment services; testing, counseling, training, and job placement	*Workers.*—Adjustment assistance essentially as provided in House bill, with some modest increases—70 percent of workers previous weekly wage for 52 weeks. Federal Government to pay only the incremental amount above usual State unemployment insurance benefits.
Firms.—Technical and financial assistance.	*Firms.*—Adjustment assistance essentially unchanged from House bill; Secretary given a 60-day time limit to make a determination on adjustment petitions.
Communities.—No similar provisions.	*Communities.*—Assistance in establishing Trade Impacted Area Councils. • Benefits to include all forms of assistance provided under the Public Works and Economic Development Act of 1965 other than loan guarantees • A special loan guarantee program in which State governors participate by pledging a portion of anticipated revenue sharing funds to cover loan liabilities. • Federal share of loan guarantees not to exceed $500 million at any one time. Authorization for direct loans placed at $100 million for FY 1975.
Miscellaneous	*Miscellaneous*
Adjustment Assistance Evaluation.—No provision.	*Adjustment Assistance Evaluation.*—Adjustment assistance programs to terminate on September 30, 1980; GAO to report on program effectiveness by January 30, 1979.
Runaway Plants.—No provision.	*Runaway Plants.*—Firms moving abroad directed to give workers 60 days advance notice, to apply for and to use adjustment assistance, and assist in job replacement.
Trade Statistics Monitoring System.—No provision.	*Trade Statistics Monitoring System.*—Program established to monitor import statistics to detect abrupt changes in import flows.
TITLE III. RELIEF FROM UNFAIR TRADE PRACTICES	
Sections 301–341	
Foreign import restrictions or export subsidies	*Foreign import restrictions or export subsidies*
(1) Authorizes President to retaliate against unjustifiable or unreasonable tariff or other import restrictions of foreign governments: • no time limitation • complex hearing procedures • Congressional veto procedure applies	(1) Retaliation authority expanded to permit response (including restrictions on foreign services) to unjustifiable or unreasonable restrictions on *U.S. services* and *access to supplies:* • no time limitation • complaint procedure established; hearings procedure can be bypassed where expeditious action required • Congressional veto procedure applies to retaliation on MFN basis.
(2) Antidumping: • 6 month time limit (9 months in complicated cases) • Guaranteed hearing for foreign manufacturer or importer • Provides for procedures to cover below-cost sales and state-controlled economies.	(2) Antidumping: • Time limits imposed on Secretary of Treasury (*a*) proceeding notice within 30 days of complaint (*b*) investigation of injury at early stage (*c*) tentative price discrimination determination within 6 months (9 months in complicated cases) (*d*) final determination within 3 months of tentative determination • Guaranteed hearings for any interested party. • Procedures for below-cost sales and state-controlled economies retained, and procedures to cover multinational corporation dumping added. • Explicit language authorizing judicial review.
(3) Countervailing duties: • 1-year time limit • Allows for findings on duty-free articles if injury exists • Permits Secretary not to apply provision during negotiations • Provided judicial review	(3) Countervailing duties: • 6-month limit for a preliminary determination and 12-month limit for a final determination. • Countervailing duties applicable to duty-free items after injury determination. • Secretary given discretion not to apply duties for 2-year period, *but* only when certain conditions are met, including the substantial reduction or elimination of the adverse effect of the bounty or grant. One-House Congressional disapproval procedure applies. • House language permitting Secretary discretion in not applying countervailing duties to quota items deleted. • Judicial review provided.
(4) Unfair import practices: • Permits Tariff Commission to issue exclusion orders if imports violate U.S. patent laws • No time limits	(4) Unfair import practices: • 1 year time limit (18 months in complicated cases). Time period suspended when Commission proceedings are enjoined or suspended. • Commission to hear legal and equitable defense in patent-based cases. • Commission to consult with other government agencies.

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HOUSE BILL	COMMITTEE BILL
	*In providing remedies, Commission to consider the effect on: (a) general health and welfare, (b) competition, and (c) consumers. *Commission authorized to issue cease and desist orders and/or to exclude articles from entering in all unfair import cases, patent and nonpatent. President can overturn Commission remedy within 60 days. *U.S. Government importations excluded from patent-based actions.
TITLE IV. TRADE RELATIONS WITH COMMUNIST COUNTRIES	
Sections 401–407	Sections 401–409
(1) President authorized, under specified conditions, to grant most-favored-nation treatment to countries not currently receiving MFN treatment	(1) President still authorized to grant most-favored-nation treatment but standards are stricter
(2) Country must enter into a bilateral or multilateral trade agreement	(2) Country must enter into a separate bilateral trade agreement; GATT membership alone not sufficient
(3) MFN treatment would remain in effect only so long as trade agreement remained in force	(3) No change
(4) Bilateral agreements would include: *life span not longer than 3 years (renewable) *suspension or termination for national security reasons *safeguards against disruption of domestic markets *protection of patents *settlement of commercial disputes *consultative procedures	(4) Bilateral trade agreements would include: *life span not longer than 3 years (renewable) *a satisfactory balance-of-concessions in trade and services *suspension or termination for national security reasons *safeguards against actual or prospective imports that could cause market disruption *protection of patents and copyrights *trade promotion arrangements *consultative procedures, and *other arrangements which will promote the purposes of the Act.
(5) Freedom of emigration.—No country would be eligible to receive MFN treatment, U.S. Government credits or investment guarantees if the President determines that the country: *denies its citizens the right to emigrate, *imposes more than a nominal tax for emigration, or *otherwise imposes more than a nominal tax or other charge on any citizen as a result of his desire to emigrate	(5a) Freedom of emigration.—Provisions of House bill continued unchanged. (5b) Personnel Missing in Action.—Country would not be eligible to receive MFN treatment, U.S. Government credits or investment guarantees, or be a party to a title IV bilateral trade agreement if the President determines that the country is not cooperating with the U.S. to: *achieve an accounting of U.S. personnel missing in Southeast Asia *repatriate living personnel *return the remains of those dead.
(6) Market disruption provision.—President could impose import relief measures if the Tariff Commission determined imports from Communist countries were causing market disruption and material injury. Market disruption would be deemed to exist whenever imports were: * substantial, * increasing rapidly, absolutely and relative to domestic consumption, and * being offered at prices substantially below those of comparable domestic articles.	(6) Market disruption provision.—President could impose import relief measures if: *International Trade Commission made a determination of market disruption; * the President takes emergency action pending a Commission determination. In addition, STR could be petitioned to implement the safeguard provisions of Title IV bilateral trade agreements. Market disruption procedures would apply to any Communist country including those already receiving MFN, i.e., Poland and Yugoslavia. Market disruption would be deemed to exist whenever imports were: * being, or likely to be, entered in increased quantities so as to be a significant cause of, or threat of, material injury.
(7) Proclamations and trade agreements under these provisions are subject to one-House Congressional veto procedure	(7) New bilaterals subject to Congressional approval procedures; those concluded before enactment subject to Congressional veto procedure, as are all bilateral renewals. (8) Czechoslovakia not eligible for MFN treatment, U.S. Government credits or investment guarantees, or monetary gold return until it first settles all principal amounts owed to U.S. citizens or nationals. (9) U.S. Government credits and investment guarantees with title IV countries made subject to Congressional veto procedure (one-House disapproval), initially after date of enactment and on an annual basis thereafter.
TITLE V. GENERALIZED TARIFF PREFERENCES	
Sections 501–505	
(1) Authorizes President to extend duty-free treatment to products imported from developing countries	(1) No substantial changes.
(2) Beneficiary developing countries designated by President; 26 countries specifically excluded:	(2) Same 26 developed countries specifically excluded, *and, in addition:* * No Communist countries * No members of OPEC * No members of international cartels which disrupt price and supplies, except countries excluded under this or the preceding category may receive preferences if they sign trade agreements assuring the U.S. reasonable access to articles important for U.S. economic requirements.

COMPARISON OF THE MAJOR PROVISIONS OF THE HOUSE BILL AND COMMITTEE ON FINANCE AMENDMENTS TO H.R. 10710, THE TRADE REFORM ACT OF 1974

HOUSE BILL	COMMITTEE BILL
	• No countries which grant reverse preferences which have a significant adverse effect on U.S. commerce • No countries which have nationalized or otherwise expropriated property without prompt and adequate compensation • No countries which do not try to prevent narcotics and other controlled substances from unlawfully entering the U.S.
(3) To be eligible, articles must be imported directly from the developing country; the value added in that country must be at least a minimum percentage of the value of the article (to be set at from 35% to 50%)	(3) Value added must be at least 35 percent from a beneficiary developing country, or 50 percent from customs unions or free trade areas designated by the President as one country for the purposes of Title V.
(4) Excludes articles subject to escape clause relief,	(4) Articles subject to national security actions also excluded.
(5) Excludes an article imported from any one country if the imports of the article from that country exceed $25 million or 50% of total U.S. imports of that article	(5) $25 million value limitation escalates in subsequent years in proportion to changes in the U.S. gross national product over the base year 1974. 50 percent ceiling not applicable to articles where the U.S. produces no similar products.
(6) Provision limited to 10-year duration; complete report to Congress after 5 years	(6) No change.
	(7) National interest waiver of 50 percent and $25 million ceilings to apply only to countries meeting certain criteria.
TITLE VI. GENERAL PROVISIONS	
Sections 601–606	Sections 601–611
(1) Standard general provisions and definitions.	(1) Standard general provisions and definitions.
(2) International Drug Control.—President directed to embargo trade and investment with countries that do not try to prevent illegal entry of narcotics into the U.S.	(2a) Embargo deleted, but President required to report on foreign drug traffic control.
	(2b) Prevention of unlawful drug traffic made a criterion for generalized system of tariff preferences in Title V.
	(3) Immunity from treble damages and other Federal and State antitrust penalties for those persons who participated in the voluntary steel export limitations to the U.S.
	(4) Secretaries of Treasury and Commerce and International Trade Commission directed to collect and compile comparable statistics on imports, exports, and domestic production.
	(5) Review of 1971 import surcharge protests extended to five years.

Mr. LONG. Mr. President, as is customary with measures of this sort, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(For the text of the amendments agreed to en bloc, see CONGRESSIONAL RECORD of December 5, 1974, pages S20683 to S20711, inclusive.)

Mr. LONG. Mr. President, I send to the desk several amendments and ask unanimous consent that they be considered read to comply with the requirements of rule XXII, if cloture is invoked. I intend to call up these amendments if the bill gets sufficiently far along.

The PRESIDING OFFICER. Without objection, it is ordered. The amendments will be received and printed, and will lie on the table.

Mr. LONG. I send to the desk another amendment, and ask unanimous consent that it be considered as having been read to meet the requirements of rule XXII. The amendment is fairly lengthy and I think Senators should have a chance to study it before they vote on it. It would insure that trade between this Nation and the Communist bloc will be in the national interest.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be received and printed, and will lie on the table.

Mr. BENNETT. Mr. President, as the ranking minority member of the Committee on Finance, I strongly support the trade bill reported by the Committee on Finance, and I urge that the Senate in its work on this legislation keep it a trade bill.

The Congress has worked long and hard on this legislation. The Committee on Finance has devoted most of its time and energy during the past 10 months to the consideration of this bill. It is a good bill. Though our time is short, we can pass it this year and we should pass it this year, if each Senator restrains his desire to add extraneous amendments. Otherwise, we will be here until Christmas Eve or maybe New Year's Eve and will very likely end up with an empty stocking, or a dried up Christmas tree.

Major trade legislation is different from most other legislation handled by the Committee on Finance. In the Internal Revenue Code or the Social Security Act, the Congress writes all the specific details into the law, and that is the end result. Not so in the case of trade legislation. While the committee did lay out specific policy directives, the end result really depends on how the President, and his special representative for trade negotiations, exercise the negotiating authorities provided by the bill. For though the Constitution gives the Congress the sole power to regulate foreign commerce, it gives the President the sole power to negotiate with foreign nations. Thus, trade legislation can only succeed if there is a constructive partnership between the legislative and executive branches.

Much of the Finance Committee's work on the bill was spent on insuring that there will be such a partnership and that it will be constructive. The committee bill, I believe, represents a new stage in the development of procedures for the joint management by the executive and legislative branches of our trade agreements program. The bill grants negotiating authority in areas where this has never been available before; but it assures congressional participation in the development and approval of policy in each of these areas.

Each day it becomes increasingly apparent that the world economy is undergoing a period of profound and rapid transformation. In recent years, in fact in recent weeks, the world economy has faced repeated shocks and constant strain. It has been shaken by a long series of monetary crises. It has been deprived of vitally important energy supplies. It has experienced growing shortages of food and essential raw materials. It has undergone simultaneous inflation and recession.

At the same time it is apparent that the nations of the world are becoming increasingly interdependent. The flow of goods, services, and capital across international borders has increased several fold in recent years, diversifying the world economy and making it more efficient. This increased trade, however, has distributed economic burdens among the nations of the world as well as economic benefits. No longer can individual countries insulate their economies and conduct their domestic policies without regard for other countries and oblivious to forces within the total world economy. It has now become mandatory that nations cooperate and act in concert to devise common solutions to international economic problems.

Unfortunately, the world's interna- which were fashioned shortly after World War II under economic conditions quite unlike those we must deal with today—are ill-adapted to respond and manage the problems which plague today's international economy. The in-

ternational monetary system, for example, presently lacks the flexibility to harmonize the conflict of competing national economies with widely divergent performances. Likewise, the international trading system, fashioned at a time when only a few countries engaged in world trade, is now ill-equipped to manage modern multinational trade problems and to assure fairness and reciprocity in these worldwide trading relationships. The need for international negotiations and cooperation to reform the world's economic institutions is now greater than at any time in history.

The alternative to international cooperation is not the preservation of the status quo. The alternative is an invitation for a serious breakdown in the spirit of economic cooperation, which is essential for the preservation of economic and political stability in a rapidly changing world.

There are violent forces at work in the world, forces which now threaten to tear apart the international bonds and relationships so carefully woven over the past three decades. To control those forces and to avert economic warfare, it is necessary for all nations to engage in a new round of trade negotiations aimed at strengthening the trading system and assuring international economic cooperation. The world now watches and waits for the participation and leadership of the United States in this vital task.

The trade bill would permit these negotiations to proceed. The authorities granted the President would give him the tools—the carrots and the sticks, if you will—he must have to negotiate a fairer world trading system and to achieve greater access for the products of our economy in foreign markets.

If the opportunities this legislation offers are seized, enactment of the bill will foster the economic growth of the United States and, I emphasize, contribute to greater employment within our economy.

It will permit the President to engage in international negotiations aimed at reducing barriers to trade and acquiring reciprocal concessions for manufactured and agricultural exports of the United States.

It will permit the President to seek reform of the rules of international trade.

It will improve our laws for providing temporary relief and assistance to those sectors of our economy adversely affected in the adjustment to fair competition from abroad.

It will require and permit the President to move swiftly and surely against foreign unfair trade practices which injure the commerce of the United States.

It will establish new procedures to permit close and continuing review by the Congress and greater participation by all segments of our society in our trade agreements.

It will authorize the President to extend most-favored-nation treatment to Communist countries upon conditions which will assure benefits to our economy and protection of our markets, and which are consistent with fundamental human rights.

And, it will make good a promise made by our country long ago to afford preferential treatment to the exports of less developed and developing countries.

The bill, which the committee has unanimously reported, will establish new procedures for the joint management by the President and by the Congress of our trade agreements program. It will establish as a national goal the reduction of barriers to trade on a basis of reciprocity and the systematic, equitable reform of the international trading system.

None of these goals can be accomplished if we fail to act responsibly. Our national interest and the world's interest mandate that the United States perform an active and constructive role in this effort. The longer we wait, the more difficult the task. The Trade Reform Act is needed now. The challange is before us. All the world is viewing how this great legislative body, of which I have proudly been a Member since January 3, 1951, will face that challenge. We must not load this bill down with extraneous, nongermane amendments, perhaps mortally wounding it in this process. That is the key issue before us. Let us face that issue squarely in the beginning of this debate. Let us act responsibly and give international economic cooperation a chance to survive.

As I said, in order to do it we must pass this bill without loading it with extraneous amendments and, as the debate continues, I, for one, will do everything I can to that end.

I thank the Chair.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I call up the amendment I have just introduced which amends the short title of the bill to strike out the word "reform" from the short title.

The reason I seek to do this, Mr. President, is that I have been objecting for some time to bill titles which seem to carry a presumption that the bill is necessarily good and that those who vote against it are not doing their duty as their conscience sees it.

It has always been my opinion that a controversial piece of legislation should bear a neutral title. I have had Senators tell me that they did not want to vote for some bill, but how could they vote against something when it was called welfare reform or it was called pension reform or something of that sort.

I feel that a controversial measure should bear a neutral title. Therefore, I think the name of this bill should be the Trade Act of 1974 rather than the Trade Reform Act. Only time will tell whether this is a good bill or a bad one, and whether this bill is a reform bill or not a reform bill.

I ask that the clerk report the amendment which has been filed and which will change the title to call this bill the Trade Act of 1974.

The PRESIDING OFFICER. The Senator has called up his amendment?

Mr. LONG. Yes.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

Strike out "Trade Reform Act of 1974" every place it appears therein and insert in lieu thereof "Trade Act of 1974".

Mr. LONG. Mr. President, I would hope that this would be a precedent for the Senate, and that from this day forward we agree that any bill of a controversial nature should have a neutral title. That way we will not have someone feeling that a bill is not a good bill and yet having to say, "How can I vote against a bill that is called the Motherhood Act of 1974" or some such thing as that.

Controversial measures should bear a neutral title. In due course, Mr. President, I would like Senators to vote on this amendment. At some point I would like to amend the Senate rules to say that a controversial bill will bear a neutral title when it comes before the Senate.

I do not want to put the question at this moment because someone may want to oppose the amendment, and I would prefer that Members of the Senate know that this amendment is pending.

Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2045 AND 2046

Mr. ROBERT C. BYRD. Mr. President, I send two amendments to the desk and ask that they be stated in the order of priority of one and two.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendments.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of both amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments are as follows:

AMDT. No. 2045

On page 142, line 11, immediately before "after", insert "before or".

AMDT. No. 2046

On page 141, line 6, strike out the period and insert in lieu thereof the following: "or (in the case of a worker who has been referred to training by the Secretary) within a reasonable period of time after the conclusion of such training period".

Mr. ROBERT C. BYRD. Mr. President, I have discussed these amendments with the distinguished manager of the bill, and he has discussed them with the manager of the bill on the other side of

the aisle. The first amendment would provide——

The PRESIDING OFFICER. May the Chair inquire of the Senator? Does he ask unanimous consent——

Mr. ROBERT C. BYRD. That they be considered en bloc.

Mr. President, I withdraw my request.

Mr. LONG. Mr. President, I would be willing to withdraw my amendment so that the Senator could offer his.

I withdraw my amendment temporarily.

Mr. ROBERT C. BYRD. But Senator HARTKE has the right to the floor. He has unanimous consent that he retain the right to the floor. If the Senator withdraws his amendment, he has the floor and the Senator's amendment is not in.

Mr. President, I withdraw my amendments. Just forget about it.

Mr. LONG. Then I leave my amendment as the pending business.

Mr. ROBERT C. BYRD. Mr. President, I ask that my two amendments be printed and that they meet the reading requirement under rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered. Senator LONG's amendment is still pending.

Mr. LONG. In view of the fact that this might present a parliamentary problem——

The PRESIDING OFFICER. The Chair understood that the Senator requested to withdraw his amendment.

Mr. LONG. I withdraw the request, Mr. President.

The PRESIDING OFFICER. Very well.

FOREIGN ASSISTANCE ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. FULBRIGHT I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3394.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate a message from the House of Representatives insisting upon its amendment to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. I move that the Senate agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FULBRIGHT, Mr. SPARKMAN, Mr. CHURCH, Mr. SYMINGTON, Mr. HUMPHREY, Mr. AIKEN, Mr. CASE, and Mr. JAVITS conferees on the part of the Senate.

TRADE REFORM ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

Mr. HARTKE. Mr. President, the world has changed markedly since World War II. So has America's position in the world. These changes must be reflected in our Foreign Trade Policy.

The assumptions of American trade policy after World War II were that America must give blood to restore a bleeding world; and that to do so was in our long-range interest—both economically and politically.

Because we did not wish to see communism take over the chaotic economies of Europe and Japan after World War II, and out of a sense of simple humanity, we decided to give generously to restore those ailing nations. We gave funds; we gave technologies; and we threw our markets open to the products of these other nations. Our immediate objective was to fortify these endangered countries against communism. Our long-range expectation was that these, and other nations, upon recovery would become good customers for America.

We were able to pursue this policy with minimal pain to our own people. The war had wrecked the productive plant of many nations. The United States nominated world manufacture easily. Much of the money we gave away came back to us in the form of purchases of American machinery and commodities.

By the 1960's, however, our role had changed—not because we consciously altered our course but because of a changed world situation. Europe and Japan were no longer weak and bleeding economies about to collapse. The Common Market was on its own; and Japan was reaching well beyond its own. What is more, both the Common Market and Japan viewed themselves as America's prime competitors. While continuing to count on America's market as an outlet, they made it increasingly difficult for America to get into their markets.

Mr. President, certain portions of the Finance Committee report on the trade bill very accurately describe the changes in the United States and world economies since 1960. I should like to quote extensively from those sections. The report states:

During the early 1960's the U.S. economy itself moved from stagnation to respectable growth without significant inflation. Beginning in 1965 an inflationary trend developed which has grown progressively worse. Inflation in the United States has now reached a level unprecedented in peacetime. . . .

Endemic inflation led to extraordinary balance of trade and payments deficits between 1970 and 1972 which in turn created a massive run against the dollar. After the U.S. could no longer maintain a fixed parity between the dollar and gold, the fixed exchange rate structure collapsed on August 15, 1971. Several dollar devaluations have occurred since that date. By making imports more expensive and exports relatively less expensive, the dollar devaluations contributed significantly to the inflationary pressures in the economy, creating shortages of raw materials and leading to the imposition of export controls on these products for which the U.S. enjoys its largest comparative advantage (e.g., soybeans).

As the U.S. economy underwent significant internal changes during the 1960's and early 1970's, the U.S. economic pre-eminence in the world economy declined relative to western Europe and Japan. The European Community, born in 1958 in the Treaty of Rome, has become the world's largest trading bloc, with exports and imports now exceeding three hundred billion dollars. The community's share of world GNP, world trade and world reserve assets has grown markedly since the 1960's, and this trend has accelerated in the 1970's.

The growth of the Japanese economy has outstripped even that of the European community. Real growth in Japan grew at the phenomenal rate of 10.5 percent a year for the period of 1960 through 1972, as compared with 5.0 percent in Italy, 4.5 percent in West Germany, 4.1 percent in the United States, and 2.7 percent in the United Kingdom. By almost every economic indicator of growth Japan has been the world leader. In terms of military or tax burdens, however, Japan is at the bottom of the list. The Achilles Heel of the Japanese economy—the overwhelming dependence of Japan on foreign oil—has interrupted Japan's record of remarkable economic growth.

Less-developed countries (LDC's) as a whole progressed fairly well during the 1960's in terms of their economic growth and their balances of trade and payments performance. Between 1960 and 1972, real economic growth in the LDC's averaged over the 5 percent goal set for the 'decade of development'. By the fall of 1973, these countries had accumulated $40.6 billion in international reserve assets compared to $10 billion in 1960. By the end of this year the international reserve assets of 'LDC's' may exceed $100 billion.

These overall figures, however, mask wide divergence in performance. Oil-producing 'LDC's' are holding western economies at bay through massive price increases. Other LDC's also possessing important natural deposits have been attempting to form their own producers' cartels to obtain a maximum rate of return on their resources. Those LDSC's without such strategic resources are facing financial collapse.

The finance committee report gives recognition to the changing, role of the United States in the world economy and the deterioration of the U.S. balance of payments as follows:

The Value of World Exports increased from $129.6 billion in 1960 to $575 billion in 1973. Normally, such a four-fold increase would suggest a growing world interdependence and a more efficient utilization of world resources. Unfortunately, however, much of the increasing volume of trade was attributable to inflation and occurred within preferential and discriminatory trading arrangements. For example, among the contracting parties to the general agreement on tariffs and trade (the GATT)—despite their pledge of nondiscrimination as a fundamental principle for achieving trade liberalization—the proportion of imports entering at preferential rates increased from ten percent in 1955 twenty-five percent in 1970, and the proportion will grow significantly with the enlargement of the European Community.

One result of discriminatory trade practices has been a decline in the U.S. share of world trade. While the value of free world exports more than quadrupled between 1960 and 1973, the U.S. share underwent a steady decline from 15.9 percent in 1960, to 14.6 percent in 1965, and to 12.4 percent in 1973. . . .

The performance of the United States in the world economy throughout much of the postwar period has been marked by persistent trade and payments deficits . . . measured on the most accurate and meaningful basis, which would include the cost of insurance and freight in the value of our imports and exclude the soft-currency and

other Foreign-aid-financed shipments from the value of our exports, our trade account has been in deficit since 1966. In 1974, our trade deficit, measured on a C.I.F. basis, is running at an annual rate of almost $12 billion. These recent trade deficits have accounted for over one-half of our overall pyaments deficits. . . .

Government expenditures abroad have also been a large contribtuor to the deficits in our international accounts. Between 1950 and 1973 *net* Government expenditures for both military and economic aid caused a drain of $141.3 billion in our overall international accounts . . . which is about equal to the growth in foreign country monetary reserve assets over this period."

The report goes on to state:

For many years this country relied on a trade surplus to offset foreign aid, military expenditures abroad, as well as overseas private investment. That surplus, which was never large enough to offset such expenditures, has now disappeared. In 1962, the nation had a modest trade surplus of approximately $1.1 billion (C.I.F.) And a balance of payments deficit of $2.9 billion (liquidity basis). Ten years later the modest trade surplus had become an $11 billion deficit, and the payments deficit had grown from a bearable $2.9 billion to an intolerable $13.9 billion. Not surprisingly, the dollar had become unwelcome in many of the capitals of the world and underwent a series of devaluations.

In 1973 there was a temporary improvement in U.S. payments and trade balances (largely attributable to grain exports to the Soviet Union which many believe contributed importantly to the 8.8 percent inflation of 1973. Hopes for achieving a reasonable balance in our international accounts this year have been dashed by mounting deficits attributable to the increased costs of oil imports. In 1974, the United States will spend approximately $27 billion on oil imports; by the year's end, the nation's trade deficit (C.I.F) will be well over $10 billion.

Throughout the postwar years, the United States has, in effect, premised much of its trade, aid, and monetary policies upon a balance of trade surplus which, in fact, was diminishing and by 1966 had disappeared altogether.

Mr. President, in the postwar years, the United States has been the only major country in the world whose share of world exports has decreased while its share of world imports has increased. In the space of a mere half dozen years—1964 to 1970—the U.S. share of world exports fell by more than 11 percent while its share of imports rose by more than 17 percent.

This unfavorable trade balance is especially marked in manufacturing, the economic sector of most immediate and intimate concern to American labor. The U.S. share of world exports of manufactured products has fallen from 27 percent in 1958, to 21 percent in 1970, to 19 percent in 1971; a decline of almost 30 percent in a dozen years.

Few American-made items can withstand the pressure. In the 1950's, only about 30 percent to 40 percent of the imports were comparable with U.S. products. Now, about three-quarters of the imports compete with U.S. items, according to the U.S. Depart of Labor.

In a number of industries there has been an absolute loss of jobs—fewer workers today than a few years ago. In women's apparel alone, the number of workers declined absolutely by more than 40,000 between 1956 and 1971. In electronics, there was a loss of 109,000 jobs between 1966 and 1972, according to Labor Department figures. In shoe manufacture, jobs declined from 233,000 to about 200,000 in the past 5 years.

While the figures on job loss reveal part of the problem, they tend—by their impersonality—to conceal the human dimensions of the tragedy. The people employed in labor-intensive industries—the hardest hit—tend to be drawn largely from the Nation's marginal populations: black, Hispanic, poor white, recent immigrant. To these people, the labor-intensive industry—with its openings for unskilled and semiskilled labor—was the gateway to the economy. As these plants collapse, the hopes of these people collapse.

The Finance Committee report calls attention to the relationship between foreign trade and domestic jobs as follows:

In recent years, the United States has experienced a series of trade and payments deficits, several dollar devaluations, and a rate of inflation unprecedented in peacetime. The Nation's economy has continued its long, slow drift away from labor intensive industries, and toward service industries. Especially significant has been the shift in the structure of U.S. employment . . . In 1960, nearly one-third of our U.S. nonagricultural employment was in manufacturing. Since 1960, however, manufacturing employment has declined steadily to a position were barely one in four workers is gainfully employed in manufacturing. . . .

As our Nation's employment in manufacturing has declined relatively, its trade balance in manufacturing has declined absolutely. In 1960 the United States had a trade surplus in manufactured goods of $5.2 billion. By 1973 we had a deficit of $3.4 billion. . . . In contrast, West Germany also had a surplus of $5.9 billion in 1960, but by 1973 that surplus had burgeoned to $28.7 billion, and Japan's modest surplus of $2.6 billion in 1960 also exploded into a $23.3 billion surplus by 1973.

Mr. President, in addition to reviewing the dramatic changes in the United States and world economies since World War II, calling attention to the deteriorating U.S. balance of payments, and noting the relationship between foreign trade and domestic employment, the Finance Committee report documents the dismal failure of recent U.S. foreign trade policy as follows:

U.S. trade policy has not been noted for its coherence or consistency. Throughout most of the postwar era, U.S. trade policy has been the orphan of U.S. foreign policy. Too often the executive has granted trade concessions to accomplish political objectives. Rather than conducting U.S. international economic relations on sound economic and commercial principles, the executive has used trade and monetary policy in a foreign aid context. An example has been the executive's unwillingness to enforce U.S. trade statutes in response to foreign unfair trade practices. By pursuing a soft trade policy, by refusing to strike swiftly and surely at foreign unfair trade practices, the executive has actually fostered the proliferation of barriers to international commerce. The result of this misguided policy has been to permit and even to encourage discriminatory trading arrangements among trading nations.

The report goes on to state:

Twelve years have passed since the Congress enacted the Trade Expansion Act of 1962. A great amount of international economic history has occurred in the intevening years. In the opinion of the committee, much of that history has been unfavorable to this country, largely because of the antiquated rules of the international trade and monetary systems and the related lack of genuine cooperation and reciprocity in international economic relations.

The Kennedy round of trade negotiations brought about some of the largest tariff reductions in the history of the United States. Unfortunately, the Kennedy round did not remedy fundamental inequities in the world trading system. There was no reform of the institutional structure, nor was there any significant progress in dealing with nontariff barriers or distortions of international trade. Our trading partners, most notably the European community, devised new ways to pursue protectionism, particularly in agriculture.

Mr. President, despite this insightful analysis of the important changes in the world economy and of the role the United States plays in that economy, despite the worsening situation documented in the U.S. balance of payments, despite the relationship cited between U.S. foreign trade and jobs, and despite this lucid indictment of recent U.S. foreign trade policy and practice; the committee report calls for enactment of the Trade Reform Act.

Mr. President, I come to a different conclusion. I say it is time the United States based its foreign trade policies on the realities of the 1970's rather than the fictions of the 1960's. This bill does not represent a departure from past U.S. trade policies. It is merely a warmed-over version of U.S. policies during the 1960's. A warmed-over version of trade policies which did not achieve their goals during the last decade, and certainly will not achieve their goals during the present decade.

My colleague, Representative JAMES BURKE of Massachusetts, accurately characterized this bill and the U.S. trade situation on the floor of the House of Representatives on December 7, 1973, when he stated:

This is not a bill for the seventies, but a patched-up version of the trade expansion act of 1962 and other statutes. The bill ignores the changes of the 1960's, when the United States became a net importer of many manufactured products and parts of products. The bill ignores the changes of the 1970's when the United States found itself with more imports than exports—a $6.4 billion deficit in trade in 1972. In 1972, imports rose even more rapidly than in 1971—up 21.9 percent. In the first 6 months of 1973, imports shot up even faster, especially from the lowest wage countries of the world. Yet this bill would merely encourage more imports of manufactured products and parts of manufactured products. The United States suddenly finds it necessary to bid for raw materials and energy supplies.

The United States now imports the automobiles, steel, radios, and TV sets it once sent to the rest of the world. Shoe imports and textile and apparel imports have been joined by inrushes of computer parts, calculators, aircraft engines, and parts, as well as other product lines. This change has eroded America's industrial strength and added costs to the economy in lost jobs and production of parts and whole products in almost every kind of manufacturing, from apparel to aerospace. These and other losses endanger service employment and the tax base of American communities and the American economy.

Mr. President, this is why Congressman BURKE and I introduced the Hartke-Burke Foreign Trade and Investment Act in 1971. It represents an alternative to what has been established trade policy, and an alternative that I believe is in better tune with today's economic realities.

Mr. President, I do not want to be misinterpreted. I am not a protectionist. I am a free trader in the purest sense. I believe if the U.S. industrial capacity, and the productivity of the American workingman were allowed to compete on a fair and even basis with the rest of the world, we would come out far ahead. But this is not the situation today. Our own trade policies, our own negotiations, our own tax structure contribute to a world in which we do not compete on a fair and even basis. We grant foreign nations freer access to our markets than we are granted to theirs. We tolerate nontariff barriers to our exports without retaliating against imports. And perhaps most foolishly, we maintain a tax structure which actually makes it more profitable for a U.S. corporation to invest abroad than at home. Actually makes it profitable to export American jobs, American capital, and American technology.

The postwar era is the age of the giant international company. Today they do about $500 billion of business annually in each other's territories, or about one-sixth of the world's gross product. That is more than the entire gross national product of Japan. These supersized multinational corporations are characterized by a global strategy of investment, production, and distribution.

The multinational company is creating the outlines of a genuine global economy. Their rate of growth is truly phenomenal. It is double that of purely domestic companies. By 1975, nearly 35 percent of the Western World's non-U.S. production will be accounted for by American subsidiaries. The book value of direct investments by the U.S.-based transnationals grew from $32 billion in 1960 to $90 billion in 1971—an increase of 280 percent. In addition, about $1.5 billion a year has been added through reinvesting the profits from foreign subsidiaries. Foreign portfolio investment in securities is over $19 billion. Together, U.S. foreign direct spending, reinvestment of profits, and portfolio investments amount to $120 billion.

From 1960 to 1970, plant and equipment expenditures by U.S. multinationals rose 60 percent faster than purely domestic firms. Responding part to favorable tax treatment and America's old line free trade policies, more than 8,000 subsidiaries of American firms have been established overseas. Following this flow of capital and firms is American tax dollars; this technology fuels economies of foreign lands at domestic expense.

Foreign direct investment by U.S. companies has been increasing at a rate of 15 percent. On the basis of present trends this figure will rise to over 20 percent by 1980. By contrast, the GNP of the world's principal industrialized countries will increase at between 3 and 5 percent. If a corporation's sales were to be equated with a nation's output of goods and services, then 54 of the world's 100 biggest money powers would be multinational corporations and only 46 would be countries. General Motors, for example, with a yearly turnover of more than $24 billion, was in 15th place on this list; just behind Spain, Sweden, and Holland and just before Belgium, Argentina, and Switzerland. Exxon and Ford each made more money than the GNP of Pakistan, Denmark, or Austria.

I am not against bigness per se, but I am vigorously opposed to unregulated bigness that adversely affects the U.S. trading position in the world. Multinational firms export American jobs by the hundreds of thousands, as they move their operations abroad in search of cheaper labor, nonunion shops, and tax holidays.

In industry after industry plants have folded up in the United States as multinational corporations simultaneously opened plants in other countries.

In the electronic trade, for instance, the Standard Kolman Co. closed its plant in Oshkosh, Wis., with 1,100 employees, and shifted the jobs to Mexico in 1970.

Emerson closed a plant of several thousand employees and set up shop in Taiwan. Bendix deserted 600 employees in York, Pa. and Long Island to open a plant in Mexico. Warwick Electronics transferred 1,600 jobs from Zion, Ill., to Mexico and Japan. General Instrument recently closed down two plants in New England although it employes 12,000 Taiwanese to make television parts. RCA transferred an operation from Cincinnati of 2,000 workers to Belgium and Taiwan.

One of the most painful stories, related by Paul Jennings, president of the International Union of Electrical, Radio, and Machine Workers, is about an RCA plant of 4,000 employees in Memphis, Tenn. In 1966, Robert Sarnoff, RCA president, boasted that this plant "was destined for a key role in the unfolding story of RCA." The installation was already providing meaningful employment to people living in the ghettos of Memphis. Four years later, in 1970, RCA closed down the plant.

Two thousand machinists lost their jobs in the General Electric plant at Utica, N.Y., between 1966 and 1972 as the company phased this operation out of the United States and into its subsidiary in Singapore where labor works for 18 cents per hour.

In 1971, International Silver exported more than 1,000 steelworkers' jobs from their plant in Meriden-Wallingford, Conn., to Taiwan. The stainless steel flatware formerly made in Connecticut is now imported from International Silverware's affiliate in Nationalist China.

Remarkable as it may seem, if one looks in the Senators' dining room in the U.S. Senate Office Buildings and the Capitol, one will see that the silverware on the table, as well as that wonderful sugar bowl and the little pitcher that pours out the milk, are all made in Taiwan.

More than 19,000 shoe workers in Massachusetts lost their jobs in the 1960's as American footwear industries succumbed to cheaper imports and large conglomerate multinationals like Interco and Genesco which began producing shoes in France, Belgium, England, Italy, and South America. Spain alone exported $280 million in shoes last year and the United States purchased $210 million or three-fourths of them.

There is clear evidence that multinational corporations are stepping up their exports from overseas back to the United States. A 1972 special survey of the Department of Commerce, covering 298 U.S. multinationals shows that exports to the United States are outpacing sales to the host country. Thus, between 1966 and 1970, these overseas subsidiaries with a 60-percent rise in world sales showed only a 52.9-percent rise in sales in the country of location, but a whopping 129.4-percent rise in sales back to the United States.

Mr. President, these are precisely the issues which are addressed by the Hartke-Burke Foreign Trade and Investment Act. Its purpose was to correct these distortions and problems in the U.S. economy by eliminating those aspects of our foreign trade policy and tax policy which put U.S. exports on an unfair competitive basis, allow imports preferential access to our markets, and encourage the outflow of American investment.

As an aside, Mr. President, I have no quarrel with free trade, but I vehemently object to giveaway trade. It is time the United States stopped playing the role of the foreign trade sugar-daddy of the world, handing out to our trading partners special favors, concessions, and preferential treatment. And most of all, we should stop giving away our companies to the rest of the world; we should terminate the distortions in our tax structure which actually encourage the outflow of American capital, American technology, and American jobs through overseas investment. The United States should strive to be an equal trading partner with the rest of the world; not more than equal and not less than equal, just equal. I am sure that on a fair and equal trade basis the strength and vitality of the American economy will cause us to be very successful trading partners. I am sure that on a fair and equal trade basis the problems we have increasingly experienced in our balance of payments and our balance of trade never would have occurred.

I say that the world is now a changed place from how we found it after World War II. At that time American trade policies which put the United States in the posture of Santa Claus to the rest of the world were not only appropriate but necessary. They are no longer so. The rest of the world has grown up and our trading partners have now assumed the role of equal partners and equal competitors. Our failure to recognize this fact has led to deteriorating U.S. performance in the world market, a declining U.S. trade balance, and an outflow of American capital and American jobs. It is time we awaken to this fact and tailor our trade policies to the realities of the present.

Mr. President, before I close, I should like to refer briefly to the remarks of

President Ford which he delivered on December 3 to the American Conference on Trade. In those remarks the President called attention to our current domestic and international economic crises. He asserted passage of the Trade Reform Act is necessary to solve these crises and also to solve the world energy crisis, to allow developing countries to pay back our economic assistance, and to further détente with the Soviet Union. Apparently the President believes further U.S. trade concessions are the panacea for all these problems.

I cannot agree. Our foreign trade policies are neither the cause of nor the cure for our present world problems. It is very difficult to see how further U.S. trade concessions will be helpful. The United States has been and remains the largest and most accessible market in the world, and our trade duties are at the lowest average level of any major industrialized country.

What we need is to place U.S. foreign trade on a more equitable basis. We need to terminate the policies which have led to a decline in the U.S. trade position. More of the same will not work. New policies are called for to halt the outflow of American jobs and American capital. It is for these reasons that I offer a series of amendments to the Trade Reform Act now before this body.

Unfortunately, it appears that the powers that be have decided otherwise, that the same policies are going to be continued, the same giveaways are going to be endorsed in the name of finishing this up before Christmas in order to avoid a Christmas tree bill. Let me say that the United States of America is going to continue to play Santa Claus to the rest of the world at the expense of American industry, the American worker, and the American taxpayer if this bill becomes the law of the land.

There is no assurance whatsoever that passage of this trade bill is anything except detrimental to the United States; but, as I said, it appears that the road is well greased under a threat by the President of the United States—who has totally failed to do anything to stop the rapid inflation in this Nation, totally failed to do anything about the mounting unemployment, totally failed to do anything about the crisis of the farmer. It appears that we are now going to turn over to him, without any dilution whatsoever, complete authority to do what he wants to do on one of the most basic items of this country; that is, the control of Congress.

As I pointed out in the opening statement that was made with reference to the House-passed bill, that will be the greatest delegation of constitutional authority ever performed by a U.S. Congress. It is remarkable to me that when people stand on the floor of the Senate and say that they want to see Congress reassert its constitutional prerogatives, we now see a situation in which we are going to give away in one fast, clever maneuver, greater authority to the President, which has been reserved to Congress under the Constitution, than has ever been given in the history of this Nation.

I do not want to be a party to that surrender. I do not want to go ahead and have Congress relegated to the position of mere me-too-ism to an administration which has failed to solve our problems, or to a policy which has contributed so much to the poverty, unemployment, and other difficulties of this Nation.

Mr. LONG. Mr. President, during the consideration of this bill as floor manager, it is necessary for me to have certain members of my staff in and out of the Chamber for various and sundry reasons to assist me as manager of this bill. They will not all be out on the floor at one time, but I ask unanimous consent that the following persons on my staff have the privilege of the floor during the consideration of this trade legislation: Doug Svendson, Jim Guirard, Wayne Thevenot, John Steen, Marsha Schramm, and Joan Shaffer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I make the same request on behalf of the following members of my staff: Mr. Keifer, Mr. Romani, and Mr. Mack.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, on behalf of the Senator from Delaware (Mr. ROTH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), and myself, I have introduced today an amendment to H.R. 10710, the Trade Reform Act of 1973, which is now before the Senate. The purpose of this amendment is to establish within the executive branch an interagency board to coordinate and oversee the orderly development of trade with nonmarket countries.

Mr. President, during the past 20 months, considerable attention has been paid to the question of what conditions, if any, should be attached to trade concessions to Communist countries, especially conditions which relate to the freedom of emigration. The debate on emigration which has ensued these past months has been productive, and I am gratified that the matter has been resolved to the satisfaction of the various interested parties.

At the same time, however, I am concerned that too little of our attention has been focused on the serious problems involved when a market economy undertakes to do business with a nonmarket economy. The amendment I am today introducing is intended to provide a greater degree of review and control over commerce with Communist countries.

The goal of this amendment is to assure that trade with the Communist world proceeds in an orderly fashion to the mutual benefit of both sides. I can imagine no better way to put an abrupt end to East-West trade than to allow such commerce to be conducted in a manner which becomes inequitable or injurious to one side or the other. A few more grain deals, I am confident, will permanently chill the atmosphere for trade with Communist countries. We must take steps to assure that both sides stand on equal commercial footing. We must be assured that our commercial relations with Communist countries are founded upon the bedrock of sound commercial principles and mutual benefit. If they are concessionary in the sense of swing away tangible commercial benefits to buy political goodwill, or if they risk serious injury to our markets, or to our national security, then they will not be enduring.

Serious problems can be encountered when representatives of the private sector of a market economy—an economy in which resources are allocated and decisions are made by free market forces—seek to do business with representatives of a nonmarket country, where supplies and even prices are set by government decision. The American businessman, especially in a time of economic adversity, is primarily guided by the need to make a profitable deal for his company. Our system does not impose upon him the affirmative duty to act in the national interest regardless of profit.

In contrast, the representative of a centralized, nonmarket economy is charged with making a deal which, by definition, must be in the best interest of his country. The American businessman's counterpart in a Communist country is not another businessman; he is a high level bureaucrat with access to centralized information—such as national crop projections—which the private business executive does not possess. While I have the utmost confidence in the sagacity of the American businessman, I also have a healthy respect for the negotiating skills of foreign bureaucrats. They can enter our marketplace, as they entered our grain market in the summer of 1972 and again this fall, and can quickly corner a scarce commodity at depressed prices, playing one merchant off another. It is evident from the grain deals that some Communist negotiators can be much tougher, better equipped and more profit oriented than our own capitalists negotiators.

A recent article by Linda Hudak in the Washington Post aptly described the problem:

> Washington at present has no overall policy on U.S.-U.S.S.R. trade and no single monitoring body. Responsibility for determining U.S. interests is scattered among numerous corners of the capital, including the Commerce Department's Bureau of East-West Trade, the National Security Council, the Export-Import Bank and several Congressional committees. The high-level East-West Trade Policy Committee, chaired by Secretary of State Kissinger, has met only five times in the past 15 months (though a working group does meet more often). And when these groups are faced with decisions on the strategic or other consequences of a proposed trade deal, it is often after a tentative bargain already has been reached with the Soviets and the Washington pressures for approval are strong.

The question of technology transfer, which is always sensitive, becomes vital when you are engaging in commercial relations with countries who are still your military adversaries. The U.S. business executive engaging in a relatively minor transaction with a Communist country is primarily motivated by profit, not by national security. His opposite number may be motivated by the desire

to acquire advanced technology which may be combined with other technology and which may have applications unknown to the U.S. businessman.

We must also remember that receiving most-favored-nation treatment—MFN—from a Communist country is not of the same value as the extension of MFN by the United States to Communist products. A state-trading country receiving MFN from a market economy country obtains the same advantages as another market economy country receiving the MFN. But a market economy country receiving MFN from a state trading economy is still dependent on central planning agency for approval of its imports. In the case of tariffs, for example, the state trading government essentially both pays the duty through its state trading corporation and also collects it through its customs. The reduction in tariffs from the granting of MFN by a state-run economy does not ordinarily make goods from a market economy any more saleable in the state trading country. The basic objective of a market economy in exchanging MFN with a state trading economy is primarily a matter of being assured an adequate opportunity to sell its goods in the state economy at a reasonable price.

It is important that we establish a mechanism and procedural framework for dealing with these problems. This is important not just from the point of view of national self-interest—such as the need to safeguard our markets from disruption—but also from the point of view of our desire to develop commercial relations with communist countries in a safe manner which provides a foundation for an enduring relationship.

The amendment I am today introducing is not the final answer; it is, however, a step in the right direction. It is an attempt to establish a mechanism for the review and control of commerce with nonmarket countries. Briefly stated, here is what my amendment would do:

The International Trade Commission would be charged with collecting and publishing quarterly data on the flow of exports and imports between the United States and nonmarket countries and on the production and employment within relevant sectors of the U.S. economy. An East-West Foreign Trade Board would be created by statute to be chaired by the Special Representative for Trade Negotiations and to include the Secretaries of State, Treasury, Commerce, Defense, Interior, the Eximbank, and representatives of the Federal Reserve Board, Energy Research and Development Administration, the National Science Foundation, and the Federal Power Commission. The function of the Board would be to review East-West transactions involving U.S. Government credits or investment guarantees in excess of $5 million or involving the transfer of technology deemed vital to the U.S. national interest. Persons contemplating such transactions would be required to file reports with the Board not less than 90 days before entering into agreement. Provision would be made to require the aggregation of related transactions.

The Board in each instance would be required to make a determination that the transaction was in the national interest before the transaction would be permitted to proceed. The Board's opinion, including minority views, would be published and reported to the Congress. Negative determinations by the Board could be appealed by the applicant in the Federal courts. Transactions involving more than $50 million which are determined by the Board to be in the national interest would be made subject to a legislative—two House—veto under the procedures contained in the bill as reported by the committee. In addition, the Board would be charged with the general oversight and review of U.S. trade relations with Communist countries including review over the negotiation of bilateral agreements, the resolution of commercial disputes, the disruption of U.S. markets, and the general promotion of East-West trade in accordance with sound commercial principles and our national interest.

Mr. PASTORE. Mr. President, on page 224 of the record of the hearings, there is a letter addressed to the Honorable RUSSELL B. LONG, sent to him and signed by W. D. Eberle, the Special Representative for Trade Negotiations, with reference to GATT. It reads as follows:

> In his message to Congress accompanying submission of the Trade Reform Act on April 10, 1973, former President Nixon specified certain categories of import-sensitive products intended to be excluded from a generalized system of preferences for articles from eligible developing countries.

And then it enumerates them. The list includes textiles and apparel products.

Apparently there is a commitment on the part of the administration that, because of the destruction of the market in the past, because the tremendous exodus and the tremendous importation of certain of these articles has disrupted the American market, there is an understanding that with reference to those items a special treatment should be given.

In that regard, I have submitted an amendment, Mr. President, on behalf of myself and the Senator from Minnesota (Mr. HUMPHREY), to codify that in the legislation, rather than to rest upon the commitment. I understand that this was in the original legislation, but that the administration more or less talked the committee out of it.

I have discussed this matter with the Senator from Louisiana, who is amenable to the amendment I have submitted, and other interested parties. I wonder if the pending amendment could be momentarily set aside so that I may call up my amendment. I understand the Senator is willing to accept it, after discussion with me. I would hope we could consider it at this time.

Mr. LONG. Mr. President, I ask unanimous consent that the pending amendment which I have submitted be temporarily laid aside, in order for the Senate to consider the amendment to be proposed by the Senator from Rhode Island.

Mr. HARTKE. Mr. President, reserving the right to object, I see no reason why the pending amendment should not be disposed of in the regular order of business.

Mr. LONG. Mr. President, it is all right with me to do so, except that the amendment I have pending at the desk, I think, is more significant than some Senators realize. I want to set a precedent that we should not pass a controversial bill with a name like the "Trade Reform Act." I think it would be well for Senators to understand the amendment that they vote on. So I thought that, rather than have it agreed to with so few Senators here, it would be better to act on that other amendment first.

Mr. HARTKE. Why does not the Senator withdraw his amendment, then, and proceed with it at a later time, so that we can proceed in an orderly manner?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

Mr. HARTKE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for not to exceed 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 8:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 8:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BROOKE AND SENATOR GRIFFIN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order, Mr. BROOKE be recognized for not to exceed 15 minutes tomorrow morning; and that he be followed by Mr. GRIFFIN for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR DOMINICK ON TUESDAY, DECEMBER 17, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on next Tuesday, after the two leaders or their designees have been recognized under the standing order, Senator DOMINICK be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes to consider a nomination on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered. The nomination will be stated.

OFFICE OF ECONOMIC OPPORTUNITY

The legislative clerk read the nomination of Bert A. Gallegos, of Colorado, to be Director of the Office of Economic Opportunity.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK—PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service which had been placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONDALE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRADE REFORM ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

AMENDMENT NO. 2052

Mr. MONDALE. Mr. President, I send to the desk an amendment to the Trade Reform Act. Title V of this bill establishes a Generalized System of Tariff Preferences for developing countries. While the amount of trade expected to take place under this system is terribly modest, this program is symbolic of U.S. willingness to assist in promoting economic development and diversification in developing nations.

In my opinion, however, title V was amended in the Finance Committee in some unfortunate ways. One of the most important of these amendments, in my view, was that which would preclude any Communist country from receiving tariff preferences. In many other respects, this bill marks a step forward in our relations with the nonmarket economies. But in making the prohibition on extending preferences so sweeping as to apply to all Communist countries, it has the unfortunate aspect of denying them to Romania and Yugoslavia. At one point in the history of this bill, there was an exception for Romania and Yugoslavia recognizing their more independent foreign policy and, in the case of Yugoslavia, the more humane domestic political and economic structure as well. That exception is now missing from this bill.

Mr. President, to deny the administration the authority to extend the generalized tariff preference system to Romania and Yugoslavia would adversely affect our commercial and economic interests in both countries with correspondingly negative political consequences. Such preferences are of high priority to the leaders of both countries both for commercial reasons and the recognition of them as LDC's, and also because they would lend support to the independent foreign policy of each country, an independence most concretely manifested by expanding trade with the West. To sustain these trade ties and to continue to import increasing quantities of capital goods from the United States, Yugoslavia, and Romania must be able to export their products to our market. In order to remain competitive, GSP is essential for this objective.

I will not burden you with a recitation of a whole list of statistics. But I think it significant to note that two-way trade between the United States and Yugoslavia grew from $258 million in 1970 to $422 million in 1973 with a $48 million trade surplus for the United States in 1973. Even more dramatic increases in trade were registered between the United States and Romania during the same period—up from $79 million two-way exchange in 1970 to $171 million in 1973 and an anticipated exchange of $450 million in 1974. Once again, the trade balance was significantly in our favor by about 2 to 1.

The importance which these countries attach to economic relations with the United States was seen in President Tito's personal attendance at the groundbreaking ceremony several days ago for a $400 million-plus nuclear powerplant to be built by an American firm.

Mr. President, the sole beneficiaries of excluding Romania and Yugoslavia from the generalized system of tariff preferences would be those countries which oppose improvement in our relations with those two countries. Specifically, the Soviet Union stands ready to capitalize on any reversal of our efforts to draw Romania and Yugoslavia into free association with the Western world.

Mr. President, I ask unanimous consent that my amendment be treated as though it were presented and read in order to comply with the second paragraph of rule XXII if cloture is invoked on the bill or any amendment thereto.

This amendment is one which I raised in committee dealing with generalized preferences for Romania and Yugoslavia. It is clearly relevant to the trade bill, and I am simply asking permission that it be submitted and considered as if read.

Mr. ROBERT C. BYRD. The Senator is only asking that it meet the reading requirements.

Mr. HARTKE. I did not hear what the Senator said.

Mr. MONDALE. This amendment would accord Romania and Yugoslavia generalized preferences.

Mr. LONG. Mr. President, I have no objection to waiving the reading requirements. It is only germaneness that I am interested in.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, reserving the right to object, I wish to find out what the Senator wants to do.

Mr. MONDALE. I am humbly, dear sir, trying to submit a bill in the form of an amendment to this underlying trade bill. I understand I have to ask permission, which is why I am doing it.

Mr. LONG. Otherwise the Senator would have to have the legislative clerk read it.

Mr. MONDALE. That is right.

Mr. HARTKE. I withdraw my objection.

Mr. BENTSEN. Mr. President, H.R. 10710, which is now pending before the Senate, contains language important to all those of us who are concerned about our missing in action in Southeast Asia. The Trade Reform Act contains language to insure that Communist countries which might be eligible to receive most-favored-nation treatment, credits and credit guarantees understand the significance which the United States attaches to their efforts to assist us in accounting for our citizens missing in action in Southeast Asia.

The President would be prohibited from extending such trade and credit concessions and from entering into bilateral trade agreements with any country refusing to cooperate with the United States in accounting for our MIA's.

The President would be required to submit periodic reports to the Congress on these countries' cooperation with the United States either House of Congress could then terminate the preferential treatment by a simple majority vote.

I support these restrictions on trade and credit concessions, Mr. President, and I urge my colleagues in the Senate to express their support as well. With American participation in the Vietnam war now behind us, it is all too easy to forget—to forget those who gave their lives; to forget those who were wounded; to forget those who were imprisoned and those who are still missing. Reports continue to circulate of American prisoners still in the hands of the North Vietnamese, the Vietcong, or the Pathet Lao. It is, of course, impossible for us in Washington to determine the accuracy of those reports. Only the appropriate U.S. rep-

resentatives in the field can do so—and then only with the cooperation of the nations in question. There has been a regrettable lack of such cooperation, cooperation which would be a simple humanitarian gesture not only to the United States, but also to MIA families who have suffered enough.

Mr. President, the pertinent language in the Trade Reform Act is a first step toward securing greater cooperation from other nations in locating information about your missing in action. I urge the Congress to join me in support of this much needed—indeed urgent—legislation.

AMENDMENTS NOS. 2032 AND 2033 TO THE TRADE REFORM ACT OF 1974

Mr. HASKELL. Mr. President, it gives me a great deal of pleasure to join with the distinguished chairman of the Subcommittee on Multinational Corporations, Mr. CHURCH, and the distinguished Senator from Indiana (Mr. HARTKE) in proposing two amendments to the Trade Reform Act of 1974. Both of these amendments represent efforts to accomplish Federal income tax neutrality with respect to investments abroad and at home.

At the outset Mr. President, let me state that it is my belief that our amendments are entirely relevant to the subject of the Trade Reform Act. The bill presently under consideration has, as its principal purpose, the harmonization, reduction, and elimination of tariff and nontariff obstacles to, and other distortions of, international trade.

To accomplish that objective, the Trade Reform Act authorizes the President for a period of 5 years to enter into trade agreements with various other countries. The theme of the Trade Reform Act throughout its every provision is the essentiality of fair, uniform, and equitable trade conditions among nations: Any major industrialized nation which fails to provide substantially equivalent competitive opportunities to those which are provided by the United States, may not benefit from the various concessions which may be made under the authority of this act. And, concessions made under past trade agreements may be terminated if necessary to restore relatively equivalent competitive opportunities.

Thus, Mr. President, it is clear that the overriding objective of this bill is to redress present imbalances between and among nations in free trade opportunities and to achieve neutrality in the policies of various governments with respect to international trade. It is my judgment and the judgment of Senator CHURCH that elemental to achieving this objective is the need to reconsider the Federal tax policy of this Nation with respect to international corporate investment. We do only half our job if we neglect, then, to achieve neutrality within our own policy by redressing the present imbalance between tax incentives to invest abroad and those to do so at home.

The tax policy of this Nation is a major device for encouraging various kinds of economic behavior believed necessary or advantageous to the national interest. Among the many such inducements are a number which encourage U.S. corporations to invest abroad rather than here in the United States. Given the broad objectives and authorities of the Trade Reform Act, it is logical and appropriate for the tax policy of the Federal Government to be neutral with respect to decisions by domestic corporations to invest either at home or abroad.

Unquestionably, there exists a distinct bias in our tax laws toward overseas investment, through such provisions as DISC, the deferral of income earned abroad by controlled foreign subsidiaries, lower tax rates for Western Hemisphere trade corporations, and others dealt with by our amendments. What we must here realize is that as long as tax incentives to produce abroad are retained while international trade agreements are made to reduce tariff and nontariff barriers to trade, our policy is not real neutrality, but rather is to encourage an increase in our imports of foreign goods without any offsetting increase in our exports. These tax incentives will continue to encourage direct investment abroad rather than production for exporting at home regardless of the absence of import obstacles in other nations. Very simply, we are here enhancing the desirability of overseas production on the part of U.S. corporations, while doing nothing to encourage investment here at home.

The premise of this bill is neutrality. Market efficiencies are to govern international trade. The effectiveness of that objective is sharply undermined by our failure to make corresponding changes in our Federal tax laws so that they, too, are neutral and so that the present bias toward overseas investment within those laws is eliminated. The issue of international trade barriers very simply cannot be separated from that of Federal tax neutrality with respect to overseas investment.

The first of our amendments, which the distinguished Senators from Idaho (Mr. CHURCH) and Indiana (Mr. HARTKE) and I yesterday introduced, would repeal DISC, tax code provisions designed to encourage the exporting of domestically produced products, the Western Hemisphere trade corporation and less-developed-country provisions; and, it would eliminate the present deferral allowed for income of controlled foreign corporations.

The second of our amendments would tighten up the foreign tax credit provisions of the code so that royalty payments made in connection with the extraction of oil or gas from a foreign nation and paid to a foreign government could no longer be disguised as tax payments to be credited against U.S. taxes; and, the so-called overall limitation on the foreign tax credit would be repealed, so that tax payments made to one foreign country could no longer be used to shelter income subject to minimal taxes in another foreign country.

I shall limit my discussion to the foreign tax credit revisions of our second amendment and the DISC repeal: The remaining provisions of these amendments are dealt with quite eloquently in the statement made today by Senator CHURCH.

FOREIGN TAX CREDITS

At the present time, income taxes paid to foreign governments may be credited against income taxes otherwise due the Federal Government. The rationale for allowing such credits is quite simple and, in the main, entirely appropriate; the objective of the credit is to prevent double taxation on multinational corporations, since to impose such double taxation would put international corporations at an extreme disadvantage with respect to foreign companies.

However, the foreign tax credit has provided special and, in my judgment, unintended benefits to the multinational oil industry by allowing the crediting of royalty payments in the guise of income taxes.

In the foreign oil-producing countries, the rights to land, or the minerals contained therein, are frequently held by the government rather than by private individuals and, therefore, payments are made to the government. But simply because payment is made to a foreign government does not mean that it constitutes an income tax; indeed, quite often the contrary is true.

Royalty payments made in most businesses are ordinary deductible business expenses. But, when a multinational oil corporation pays its royalties to foreign governments in the form of income taxes, the Internal Revenue Service allows the payment to be credited against taxes due the Federal Government although Congress has never specifically legislated such treatment.

An income tax credit, as everyone knows, is far more valuable in reducing one's tax liability than is deduction. The tax credit allows the corporation to reduce its tax liability to the Federal Government on a dollar-for-dollar basis, whereas a deduction only reduces corporate tax liability by 48 cents on the dollar since the corporate rate is 48 percent.

The windfall that results from the fictional treatment of royalty payments made to foreign governments as an income tax is in large part responsible for the appallingly low effective rate of taxation on multinational oil companies. Furthermore, the credit constitutes a continuing incentive to these corporations to produce abroad rather than here in the United States. And this imbalance in Federal-policy between domestic and international trade is a problem entirely appropriate for resolution in this Trade Reform Act.

Our amendment prohibits corporations from taking a tax credit for any payment to a foreign government, in connection with the extraction of oil or gas, which is in reality a royalty payment. True income taxes will still be creditable against Federal tax liability.

The amendment directs the Secretary of Treasury to apply certain standards in the determination of what part, if any, of a payment to a foreign government is royalty. In countries which tax other activities, a simple comparison of the taxes applied to those activities will aid in this determination. In those few countries where only oil production is subject to taxation, the Internal Revenue Service may place royalty values on

foreign wells just as it now places values on closley held stock and unique assets in a decedent's estate. Taxes which are based on any per-volume measurement cannot, of course, be regarded as taxes on income and must be treated as royalty payments.

Our amendment will also repeal the so-called "overall limitation" on the foreign tax credit.

The "overall limitation" is, in reality, no meaningful limitation at all. Under this provision, the taxpayer aggregates all of his foreign income and losses as well as his foreign taxes. The tax credit for all of the foreign tax imposed is limited to the U.S. tax on the total amount of foreign source income. The overall limitation, then, allows a corporation to, in essence, use tax payments to country "A" to offset taxes due the United States on income earned in country "B." This so-called limitation stretches the "double taxation" rationale of the foreign tax credit beyond any reasonable bounds.

If the overall limitation were repealed, as this amendment would do, the taxpayer would henceforth be subjected to the per-country limitation. Under this limitation, the taxpayer must segregate its income or losses from each country: the credit allowed for foreign tax payments, then, may not exceed the U.S. tax imposed on that income.

This revision of the U.S. tax treatment of foreign taxes would contain the double-taxation rationale to its proper scope: U.S. tax liability would be offset on a dollar-for-dollar basis in recognition of taxes paid to a country on income earned in that country.

DISC

Under the DISC provisions of the Internal Revenue Code, specially organized export corporations are permitted to defer indefinitely the tax on one-half of their income. The purpose, of course, of DISC ostensibly is to provide an extra stimulus to the business of exporting. The plain fact of the matter, however, is that there is no evidence whatsoever that DISC has indeed been effective in promoting exports. What we do know beyond any question is that DISC has, over the last several years, represented an extraordinary drain on the Federal Treasury.

Recently, our distinguished colleague from Maine (Mr. MUSKIE) pointed out that DISC's are frequently nothing more than paper corporations established by other large corporations solely in order to take advantage of the favorable tax treatment provided by the Internal Revenue Code. In 1972, 22 percent of the income received by all DISC's was earned by eight corporations with gross receipts of over $100 million. Over 80 percent of the approximately 2,200 DISC's in existence at that time were owned by corporations with assets of over $100 million.

When DISC was originally enacted, in 1971, the Nation was facing a very serious balance-of-payments deficit. But, in 1973, the United States enjoyed a $700 million trade surplus and had a record-breaking $70 billion in exports. I maintain, however, that there is no evidence that this trade turnaround is a product of DISC.

Indeed, according to the international economic report of the President, the turnaround in the U.S. trade balance was caused primarily by increased worldwide demand for our agricultural and manufactured exports, and by the 15 percent devaluation of the dollar over the past 2 years. The General Accounting Office has reported that DISC "is not considered to have had much influence toward increasing U.S. exports to date. Neither has it resulted in exporters lowering their prices to meet competition." Finally, a report recently prepared by the U.S. Department of the Treasury pursuant to the 1971 legislation establishing DISC reached no firm conclusion as to whether the existence of these tax breaks led to greater exports than would have been the case in the absence of these provisions. Indeed, the report noted that 1972 was the first year of devaluation of the dollar and that "other powerful influences were brought to bear on the U.S. trade position," apart from the tax changes brought about by the passage of the DISC provisions.

What we do know for certain has been accomplished by the passage of DISC is that the Federal Treasury has been depleted to a far greater extent than was originally anticipated when DISC was proposed. The Treasury Department had estimated that the revenue loss for 1972 would be approximately $100 million; instead the Treasury loss for that year turned out to be 2½ times that amount, or $250 million. The revenue loss for 1973 was approximately $500 million and, it is estimated, the loss will reach nearly $800 million for 1974, and over $900 million for 1975.

Under our amendment, the DISC provisions of the Internal Revenue Code would be repealed.

In conclusion, Mr. President, let me again emphasize that our amendments should be regarded as an integral part of any truly comprehensive effort to achieve international trade neutrality. Such neutrality, if effective, must consist not only of neutrality among nations, but also neutrality within nations with respect to domestic versus overseas investment.

I understand that the Parliamentarian has indicated that our amendments may not be strictly germane and, hence, would not be in order should cloture be invoked. Because I support the trade bill, I shall vote to invoke cloture; it is my hope that, before we do so, the Senate will consider and approve our amendments.

I ask unanimous consent, Mr. President, that our amendments, Nos. 2032 and 2033, be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2032

TITLE VII—AMENDMENTS TO INTERNAL REVENUE CODE

SEC. 701. FOREIGN TAX CREDIT.

(a) ROYALTIES.

(1) IN GENERAL.—Section 903 of the Internal Revenue Code of 1954 (relating to definition of creditable taxes) is amended to read as follows:

"(a) IN GENERAL.—For purposes of this subpart and sections 164(a) and 275(a), the term 'income, war profits, and excess profits taxes' means a tax paid in lieu of a tax on income, war profits, or excess profits otherwise generally imposed by any foreign country or by any foreign possession of the United States.

"(b) ROYALTIES.—

"(1) IN GENERAL.—For purposes of this subpart and section 164(a) and 275(a), in the case of taxes paid or accrued to any foreign country with respect to income derived from the extraction, production, or refining of oil or gas in such country, the term 'income, war profits, and excess profits taxes' does not include any amount paid as a royalty.

"(2) DETERMINATION BY SECRETARY OR HIS DELEGATE.—The Secretary or his delegate shall determine, in accordance with the provisions of paragraph (3), with respect to payments made to any foreign country in connection with income from the extraction, production, or refining of oil or gas in such country, what portion (if any) of that payment constitutes the payment of a royalty.

"(3) BASIC RULES.—In the case of any foreign country which imposes an income, war profits, or excess profits tax on income from activities other than the extraction, production, or refining of oil or gas in that country, any part of a payment made to that country as an income, war profits, or excess profits tax which is not reasonably similar (in terms of the rate of tax, or of the amount of tax paid for the income or profits involved) to the amount payable with respect to income or profits arising out of other activities, as determined by the Secretary or his delegate, is considered to be a royalty payment. In the case of any other foreign country, any part of a payment made to that country as an income, war profits, or excess profits tax which is determined by the Secretary or his delegate, on account of the manner in which it is determined, the rate or amount involved, or any other reason, to constitute the payment of a royalty is considered to be a royalty payment.".

(2) CARRYOVERS.—Section 904(f)(4) of such Code (relating to transitional rules for carrybacks and carryovers) is amended by adding at the end thereof the following new subparagraph:

"(C) CARRYOVERS TO YEARS BEGINNING AFTER DECEMBER 31, 1973.

"(i) Whenever pre-1974 taxes are, under the provisions of subsection (d), deemed to be post-1973 taxes, the pre-1974 taxes shall be redetermined in accordance with the provisions of section 903(b) (relating to royalties) as if those provisions applied to the taxable year in which the pre-1974 taxes were paid or accrued.

"(ii) For purposes of this subparagraph, the term 'pre-1974 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year ending before January 1, 1974, and the term 'post-1973 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year beginning after December 31, 1973.".

(b) REPEAL OF OVERALL LIMITATION.—

(1) IN GENERAL.—Section 904 of the Internal Revenue Code of 1954 (relating to limitation on credit) is amended—

(A) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) LIMITATION.—The amount of credit in respect of tax paid or accrued to any foreign country or possession of the United States shall not exceed the same proportion of the tax against which such credit is taken which the taxpayer's taxable income from sources within such country or possession (but not in excess of the taxpayer's entire taxable income) bears to his entire taxable income for the same taxable year.";

(B) by striking out subsection (b);

(C) by redesignating subsection (c) as

(b) and by striking out "applicable" in that subsection;

(D) by redesignating subsection (d) as (c) and by striking out "applicable" each time it appears in that subsection;

(E) by striking out subsection (c);

(F) by redesignating subsection (f) as (d) and by striking out "(c), (d), and (c)" in paragraph (1) of that subsection and inserting in lieu thereof the following: "(b) and (c)";

(G) by striking out subsection (d)(3) (as redesignated under paragraph (6));

(H) by redesignating subsection (d)(4) (as redesignated under paragraph (6)) as (d)(3) and by striking out "(d)" each time it appears in that subsection and inserting in lieu thereof "(c)";

(I) by redesignating subsection (d)(5) (as redesignated under paragraph (6)) as (d)(4) and by striking "(1)" after "(a)"; and

(J) by striking out subsection (g) and inserting in lieu thereof the following:

"(e) CROSS REFERENCE.—

"For increase of limitation under subsection (a) for taxes paid with respect to amounts received which were included in the gross income of the taxpayer for a period taxable year as a United States shareholder with respect to a controlled foreign corporation, see section 960(b).".

(2) TECHNICAL AMENDMENTS.—

(A) Section 901 of the Internal Revenue Code of 1954 (relating to taxes of foreign countries and of possessions of the United States) is amended—

(i) by striking out "applicable" the first time it appears in subsection (a); and

(ii) by striking out "applicable" the first time it appears in subsection (b).

(B) Section 960 of such Code (relating to special rules for foreign tax credits) is amended by striking out "applicable" each time it appears in subsection (b);

(C) Section 1503 of such Code (relating to computation and payment of tax) is amended—

(i) by striking out "(a) GENERAL RULE.—"; and

(ii) by striking out subsection (b).

AMENDMENT No. 2033

At the end of the bill add the following new title:

TITLE VII—AMENDMENTS TO INTERNAL REVENUE CODE

SEC. 701. TAXATION OF EARNINGS AND PROFITS OF CONTROLLED FOREIGN CORPORATIONS.

(a) Part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to income from sources without the United States) is amended by inserting after subpart H thereof the following new subpart:

"Subpart I—Controlled Foreign Corporations

"Sec. 985. Amounts included in gross income of United States shareholders.

"Sec. 986. Definitions.

"Sec. 987. Rules for determining stock ownership.

"Sec. 988. Exclusion from gross income of previously taxed earnings and profits.

"Sec. 989. Adjustments to basis of stock in controlled foreign corporations and of other property.

"Sec. 990. Records and accounts of United States shareholders.

"SEC. 985. AMOUNTS INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.

"(a) AMOUNTS INCLUDED.—

"(1) IN GENERAL.—If a foreign corporation is a controlled foreign corporation for an uninterrupted period of 30 days or more during any taxable year, every United States shareholder of such corporation who owns (within the meaning of section 987(a)) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in its gross income, for its taxable year in which or with which such taxable year of the corporations ends, its pro rata share of the corporation's earnings and profits for such year.

"(2) PRO RATA SHARE OF EARNINGS AND PROFITS.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 987(a)) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it had distributed pro rata to its shareholders an amount (i) which bears the same ratio to its earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the amount determined under subparagraph (A), as (ii) the part of such year described in subparagraph (A)(ii) during which such shareholder did not own (within the meaning of section 987(a)) such stock bears to the entire year.

"(b) EARNINGS AND PROFITS.—For purposes of this subpart, under regulations prescribed by the Secretary or his delegate, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m)(3), shall be determined according to rules substantially similar to those applicable to domestic corporations,

"(2) shall be appropriately adjusted for deficits in earnings and profits of such corporation for any prior taxable year beginning after the date of the enactment of the Trade Reform Act of 1974.

"(3) shall not include any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States, and

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country.

"(c) COORDINATION WITH ELECTION OF A FOREIGN INVESTIGATION COMPANY TO DISTRIBUTE INCOME.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247(c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) COORDINATION WITH FOREIGN PERSONAL HOLDING COMPANY PROVISIONS.—In the case of a United States shareholder who, for his taxable year, is subject to tax under section 551(b) relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"SEC. 986. DEFINITIONS.

"(a) UNITED STATES SHAREHOLDER DEFINED.—For purposes of this subpart, the term 'United States shareholder' means, with respect to any foreign corporation, a United States person (as defined in section 957(d)) who owns (within the meaning of section 987(a)), or is considered as owning by applying the rules of ownership of section 987(b), one percent or more of the total combined voting power of all classes of stock entitled to vote of such foreign corporation.

"(b) CONTROLLED FOREIGN CORPORATION DEFINED.—For purposes of this subpart, the term 'controlled foreign corporation' means any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock entitled to vote is owned (within the meaning of section 987(a)), or is considered as owned by applying the rules of ownership of section 987(b), by United States shareholders on any day during the taxable year of such foreign corporation.

"SEC. 987. RULES FOR DETERMINING STOCK OWNERSHIP.

"(a) DIRECT AND INDIRECT OWNERSHIP.—

"(1) GENERAL RULE.—For purposes of this subpart, stock owned means—

"(A) stock owned directly, and

"(B) stock owned with the application of paragraph (2).

"(2) STOCK OWNERSHIP THROUGH FOREIGN ENTITIES.—For purposes of subparagraph (B) of paragraph (1), stock owned, directly or indirectly, by or for a foreign corporation or foreign estate (within the meaning of section 7701(a)(31)) or by or for a partnership of trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries. Stock considered to be owned by a person by reason of the application of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(b) CONSTRUCTIVE OWNERSHIP.—For purposes of secion 986, section 318(a) (relating to constructive ownership of stock) shall apply to the extent that the effect is to treat any United States person as a United States shareholder within the meaning of section 986(a), or to treat a foreign corporation as a controlled foreign corporation under section 986(b), except that—

"(1) in applying paragraph (1)(A) of section 318(a), the stock owned by an unresident alien individual (other than a foreign trust or a foreign estate) shall not be considered as owned by a citizen or by a resident alien individual,

"(2) in applying subparagraphs (A), (B), and (C) of section 318(a)(2), if a partnership, estate, trust, or corporation owns, directly or indirectly, more than 50 percent of the total combined voting power of all classes of stock entitled to vote of a corporation, it shall be considered as owning all of the stock entitled to vote,

"(3) in applying subparagraph (C) of section 318(a)(2), the phrase '10 percent' shall be substituted for the phrase '50 percent' used in subparagraph (C), and

subparagraphs (A), (B), and (C) of section 318(a)(3) shall not be applied so as to consider a United States person as owning stock which is owned by a person who is not a United States person.

"SEC. 986. EXCLUSION FROM GROSS INCOME OF PREVIOUSLY TAXED EARNINGS AND PROFITS.

"(a) EXCLUSION FROM GROSS INCOME.—For purposes of this chapter, the earnings and profits for a taxable year of a foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 985(a), shall not, when such amounts are distributed directly, or indirectly through a chain of ownership described under section 987(a), to—

"(1) such shareholder (or any other United States person who acquires from any person any portion of the interest of such United States shareholder in such foreign corporation, but only to the extent of such portion, and subject to such proof of the identity of

such interest as the Secretary or his delegate may by regulations prescribe), or

"(2) a trust (other than a foreign trust) or which such shareholder is a beneficiary, be again included in the gross income of such United States shareholder (or of such United States person or of such trust).

"(b) EXCLUSION FROM GROSS INCOME OF CERTAIN FOREIGN SUBSIDIARIES.—For purposes of section 985(a), the earnings and profits for a taxable year of a controlled foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 985(a), shall not, when distributed through a chain of ownership described under section 987(a), be also included in the gross income of another controlled foreign corporation in such chain for purposes of the application of section 985(a) to such other controlled foreign corporation with respect to such United States shareholder (or to any other United States shareholder who acquires from any person any portion of the interest of such United States shareholder in the controlled foreign corporation, but only to the extent of such portion, and subject to such proof of identity of such interest as the Secretary or his delegate may prescribe by regulations).

"(c) ALLOCATION OF DISTRIBUTIONS.—For purposes of subsections (a) and (b), section 316(a) shall be applied by applying paragraph (2) thereof, and then paragraph (1) thereof—

"(1) first, to earnings and profits attributable to amounts included in gross income under section 985(a), and

"(2) then to other earnings and profits.

"(d) DISTRIBUTION EXCLUDED FROM GROSS INCOME NOT TO BE TREATED AS DIVIDENDS.—Any distribution excluded from gross income under subsection (a) shall be treated, for purposes of this chapter, as a distribution which is not a dividend.

"SEC. 989. ADJUSTMENTS TO BASIS OF STOCK IN CONTROLLED FOREIGN CORPORATIONS AND OF OTHER PROPERTY.

"(a) INCREASE IN BASIS.—Under regulations prescribed by the Secretary or his delegate, the basis of a United States shareholder's stock in a controlled foreign corporation, and the basis of property of a United States shareholder by reason of which it is considered under section 987(a)(2) as owning stock of a controlled foreign corporation shall be increased by the amount required to be included in its gross income under section 985(a) with respect to such stock or with respect to such property, as the case may be, but only to the extent to which such amount was included in the gross income of such United States shareholder.

"(b) REDUCTION IN BASIS.—

"(1) IN GENERAL.— Under regulations prescribed by the Secretary or his delegate, the adjusted basis of stock or other property with respect to which a United States shareholder or a United States person receives an amount which is excluded from gross income under section 988(a) shall be reduced by the amount so excluded.

"(2) AMOUNT IN EXCESS OF BASIS.—To the extent that an amount excluded from gross income under section 988(a) exceeds the adjusted basis of the stock or other property with respect to which it is received, the amount shall be treated as gain from the sale or exchange of property.

"SEC. 990. RECORDS AND ACCOUNTS OF UNITED STATES SHAREHOLDERS.

"(a) RECORDS AND ACCOUNTS TO BE MAINTAINED.—The Secretary or his delegate may by regulations require each person who is, or has been, a United States shareholder of a controlled foreign corporation to maintain such records and accounts as may be prescribed by such regulations as necessary to carry out the provisions of this subpart.

"(b) TWO OR MORE PERSONS REQUIRED TO MAINTAIN OR FURNISH THE SAME RECORDS AND ACCOUNTS WITH RESPECT TO THE SAME FOREIGN CORPORATION.—Where, but for this subsection, two or more persons would be required to maintain or furnish the same records and accounts as may by regulations be required under subsection (a) with respect to the same controlled foreign corporation for the same period, the Secretary or his delegate may by regulations provide that the maintenance or furnishing of such records and accounts by only one such person shall satisfy the requirements of subsection (a) for such other persons.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 864(c)(4)(D) of such Code is amended to read as follows:

"(D) No income from sources without the United States shall be treated as effectively connected with the conduct of a trade or business within the United States if it consists of dividends, interest, or royalties paid by a foreign corporation in which the taxpayer owns (within the meaning of section 958(a)), or is considered as owning (by applying the ownership rules of section 958 (b)), more than 50 percent of the total combined voting power of all classes of stock entitled to vote."

(2) Section 951 of such Code is amended by adding at the end thereof the following:

"(e) TAXABLE YEARS ENDING AFTER ENACTMENT OF THE TRADE REFORM ACT OF 1974.—No amount shall be required to be included in the gross income of a United States shareholder under subsection (a) (other than paragraph (1)(A)(ii), or paragraph (1)(B) of such subsection) with respect to a taxable year of a controlled foreign corporation beginning after the date of the enactment of the Trade Reform Act of 1974.".

(3) Section 1016(a)(20) of such Code is amended by striking out "section 961" and inserting in lieu thereof "sections 961 and 990".

(4) Section 1246(a)(2)(B) of such Code is amended by inserting "or 985" after "section 951" and by inserting "or 988" after "section 959.".

(5) Section 1248(d)(1) of such Code is amended to read as follows:

"(1) AMOUNTS INCLUDED IN GROSS INCOME UNDER SECTION 951 OR 985.—Earnings and profits of the foreign corporation attributable to any amount previously included in the gross income of such person under section 951 or 985, with respect to the stock sold or exchanged, but only to the extent the inclusion of such amount did not result in an exclusion of an amount from gross income under section 959 or 988.".

(c) The table of subparts of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"Subpart I.—Controlled Foreign Corporations.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders within which or with which such taxable years of such foreign corporations end.

SEC. 702.—ELIMINATION OF WESTERN HEMISPHERE TRADE CORPORATION PROVISIONS.

(a) Section 921 of the Internal Revenue Code of 1954 (relating to Western Hemisphere trade corporations) is amended by—

(1) inserting "(a)" before the first word of the text of that section, and

(2) adding at the end thereof the following new subsection:

"(b) No corporation shall be treated as a Western Hemisphere trade corporation for any taxable year beginning after the date of enactment of the Trade Reform Act of 1974.".

(b)(1) Section 170(b)(2) of such Code (relating to charitable deductions for corporations) is amended by striking out subparagraph (d).

(2) Section 172(d)(5) of such Code (relating to the net operating loss deduction) is amended by striking out "or under section 922 (relating to Western Hemisphere trade corporations)".

(3) Section 1053 of such Code (relating to consolidated returns) is amended by striking out subsection (b), and by deleting "(a) GENERAL RULE.—" from such section.

(4) Section 1562(b)(4) of such Code (relating to multiple surtax exemptions) is amended by—

(1) inserting "and" before "804(a)(3) (relating to deductions for partially tax-exempt utilities)" and

(2) striking out "and 922 (relating to special deduction for Western Hemisphere trade corporations)".

(c) The amendments made by this section apply to taxable years beginning after the date of enactment of this Act.

SEC. 703.—TERMINATION OF SPECIAL TAX TREATMENT FOR DOMESTIC INTERNATIONAL SALES CORPORATIONS.

(a) Section 991 of the Internal Revenue Code of 1954 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after the date of the enactment of the Trade Reform Act of 1974.".

(b) Section 992(a) of such Code (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—Notwithstanding any other provision of this part, no corporation shall be treated as a DISC or former DISC for any taxable year beginning after the date of the enactment of the Trade Reform Act of 1974.".

(b)(1) Section 1014(b) (relating to basis of property acquired from a decedent) is amended by striking out paragraphs (5) and (6).

(2) Paragraph (9) of section 1014(b) is amended by inserting the word "and" at the end of subparagraph (A), by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(c) The amendments made by this section shall be applicable only with respect to decedents dying after the date of the enactment of this Act.

SEC. 704. TERMINATION OF PREFERENTIAL TREATMENT OF DIVIDENDS OF LESS DEVELOPED COUNTRY CORPORATIONS.

Section 902 (relating to credit for corporate stockholder in foreign corporations) is amended as follows—

(1) Subsection (a) is amended to read as follows:

"(a) TREATMENT OF TAXES PAID BY FOREIGN CORPORATION.—For purposes of this subpart, a domestic corporation which owns at least 10 percent of the voting stock of a foreign corporation from which it receives dividends in any taxable year shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid or deemed to be paid by such foreign corporation to any foreign country or to any possession of the United States on or with respect to accumulated profits, which the amount of such dividends (determined without regard to section 78) bears to the amount of such accumulated profits in excess of such income, war profits, and excess profits taxes (other than those deemed paid).".

(2) Subsections (b) (1) and (2) are amended to read as follows:

"(1) If the foreign corporation described in subsection (a) (hereinafter in this subsection referred to as the 'first foreign corporation') owns 10 percent or more of the voting stock of a second foreign corporation from which it receives dividends in any taxable year, it shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid or deemed to be paid by such second foreign corporation to any foreign country or to any possession of the United States on or with respect to the accumulated profits of the corporation from which such dividends were paid which the amount of such dividends bears to the amount of the accumulated profits of such second foreign corporation from which such dividends were paid in excess of such income, war profits, and excess profits taxes.

"(2) If such first foreign corporation owns 10 percent or more of the voting stock of a second foreign corporation which, in turn, owns 10 percent or more of the voting stock of a third foreign corporation from which the second foreign corporation receives dividends in any taxable year, the second foreign corporation shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid by such third foreign corporation to any foreign country or to any possession of the United States on or with respect to the accumulated profits of the corporation from which such dividends were paid which the amount of such dividends bears to the amount of the accumulated profits of such third foreign corporation from which such dividends were paid in excess of such income, war profits, and excess profit taxes."

(3) Subsection (c) (1) is amended to read as follows:

"(1) ACCUMULATED PROFITS DEFINED.—For purposes of this section, the term 'accumulated profits' means, with respect to any foreign corporation, the amount of its gains, profits, or income computed without reduction by the amount of the income, war profits, and excess profits taxes imposed on or with respect to such profits or income by any foreign country or any possession of the United States. The Secretary or his delegate shall have full power to determine from the accumulated profits of what year or years such dividends were paid, treating dividends paid in the first 60 days of any year as having been paid from the accumulated profits of the preceding year or years (unless to his satisfaction shown otherwise), and in other respects treating dividends as having paid from the most recently accumulated gains, profits or earnings."

(4) Subsection (d) is repealed.

(5) Subsection (e) is redesignated as subsection (d).

Mr. HATFIELD. Mr. President, as debate begins on the trade bill, I think it important to consider one aspect of the issue. This legislation must not become the "Christmas tree" bill of the 93d Congress. We must keep this a clean bill, free from nongermane amendments.

The trade bill is a fragile vessel in a stormy sea. One wave over the side, and the boat will sink. We must be realistic: if extraneous amendments are pushed, this bill will die. Trade reform then will be scuttled for years if the bill is not passed.

During much of this Congress, many speeches have been given in this Chamber about the reassertion of congressional responsibility. I have joined in this effort. The word responsibility, in these speeches, often has been used to discuss reassertion of congressional powers in areas of the Federal Government. We must remember, however, that responsibility has a second meaning: to act in a responsible manner. It is this second aspect of responsibility that should concern us all as debate begins on the trade bill. We must not allow all the rhetoric about congressional responsibility to be forgotten. We must show that we deserve this responsibility by limiting our debate to the merits of this bill, by rejecting all nongermane amendments, and considering the trade bill solely on its merits.

I suggest that the best way to deal with this bill is to reject all nongermane amendments. Rather than reviewing the substantive merits of these amendments, they should be rejected in toto so that the bill can be kept clean. We should not debate the merits of the extraneous proposals, and they should be rejected.

Mr. President, I ask unanimous consent that an editorial about this subject from last Sunday's Washington Post appear at this point in the RECORD, followed by one from the Portland Oregon Journal.

There being no obecjtion, the material was ordered to be printed in the RECORD, as follows:

[From the Oregon Journal, Monday, Dec. 9, 1974]

TIME SHORT ON TRADE BILL

Most of the publicity given to the Trade Reform Act of 1973 centers on the issue of granting "most favored nation status" to the Soviet Union and the related demand that the Soviets liberalize their emigration policies for Jews and other citizens who want to leave the country.

The fact that it contains wide-ranging provisions which bear on this country's trade relationships with traditional allies is almost forgotten.

Secretary of State Henry Kissinger focused on these aspects of the legislation in his testimony before the Senate Finance Committee when he said that almost all Allied countries have implored him to press for adoption of the legislation.

At stake is the question of whether this country is to move in the direction of strengthened international commerce or turn back toward protectionism.

The act has gone through a lot of hoops to reach this far. While it is called an administration bill, it underwent extensive revision in the House, where it was passed many months ago. Oregon's Rep. Al Ullman had an important hand in shaping it.

It has consistently been opposed by the AFL-CIO, which wants far more restrictive trade legislation, and there is fear that if it dies this session, the nation will be faced, at best, with interminbale delay and, at worst, protectionist legislation with adverse economic and diplomatic consequences.

Like it or not, our future is inextricably bound up with the futures not only of our traditional allies but of the Communist nations too.

It will be a better, safer world if we gear ourselves to deal with them realistically and effectively in the whole area of international commerce.

[From the Washington Post, Dec. 8, 1974]

SENATE POLITICS AND THE TRADE BILL

The trade reform bill, carrying with it the crucial agreement on emigration out of the Soviet Union, is now in grave and rising danger. It comes to the Senate floor on Monday, where it will fall into an enormously complicated political situation involving the Democratic party's tangled relations with the labor movement and the maneuver around the 1976 presidential campaign. The opposition to the trade bill is being ably and powerfully led by the AFL-CIO. Regrettably, the American labor movement in recent years has turned toward a kind of protectionism that is as bitter and vehement as it is narrow and wrong-headed. The bill has already been through the House. The strategy to kill it in the Senate, in these last days of the Congress, is to hang inflammatory amendments onto it.

The consequences of defeat of this bill would be beyond calculation. The progress of detente with the Soviet Union assumes steadily widening trade and the most-favored-nation status under our tariff laws that this country has repeatedly promised the Soviets but not yet delivered. As the price of this trade, a large number of Senators, led by Henry M. Jackson (D-Wash.), demanded the Soviet emigration guarantees that, through arduous and successful negotiation, Secretary of State Henry Kissinger has finally achieved. These guarantees are contingent on the passage of the bill. It is necessary to expect that, if the bill dies in the Senate, life will suddenly become very much more unpleasant for those Soviet citizens who are trying to emigrate.

The purpose of the trade bill is to give American negotiators the authority to work out new international trade rules. In a time of great turbulence and disruption in world markets, the old rules are rapidly becoming obsolete. But the proportion of this country's production that is sold abroad continues to rise rapidly, and American prosperity depends upon the success with which we can keep these markets operating on principles that are fair. If you believe that Americans should have a world-wide choice of goods to buy, the trade bill is the most important consumer legislation that Congress will consider this year.

The AFL-CIO is fighting the bill aggressively and sharply reminding senators that labor is likely to be the largest single source of campaign funds and organizational support to a Democratic presidential candidate in 1976. The leading candidate for the nomination at the moment is, of course, Sen. Jackson. He is now caught between two important elements of his constituency, the Jewish organizations that strongly support the Soviet emigration agreement and the unions that equally strongly oppose the trade bill. To his credit, the senator has not wavered in regard to the bill. But he is not the only senator (or potential presidential candidate) in this uncomfortable position, and the real tests lie ahead. They will come in the maneuver over the killing amendments, of which there currently seem to be four.

The most dangerous is probably the amendment to deregulate the price of natural gas, which Sen. James Buckley (Cons. R-N.Y.) is expected to offer. Deregulation would serve the public interest, and it is part of any rational energy policy for this country. But it would be wanton to try to use the trade bill as a vehicle to get this highly controversial proposal enacted. It is perfectly clear to us, as it ought to be clear to any senator, that a bill with the Buckley amendment in it will be met with a filibuster that, at the tail end of the session, cannot help but succeed.

Another possible amendment is the so-called Energy Security Transportation bill, possibly the most gross and damaging piece of special interest legislation to appear in this Congress. It would require a rising proportion of our oil imports to arrive in American tankers, at an inordinate public cost in shipping subsidies. Its advocates, the maritime unions and shipyards, are seeking to attach it to respectable legislation so that President Ford cannot veto it.

Sen. Vance Hartke (D-Ind.), a faithful ally of the AFL-CIO, has a complicated proposal to tax companies' foreign income. He may

attempt to attach it to the trade bill in an effort to turn off the multinational corporations' strong lobbying for the bill.

A fourth possible killer amendment is the income tax cut that Sen. Edward Kennedy (D-Mass.) reportedly has under consideration. The sharp increase in the unemployment rate has greatly increased pressure in Congress for a quick tax reduction before adjournment. One possibility under discussion among some senators is to take the entire tax reform bill passed earlier by the House and attach the whole thing as a rider to the trade bill. But the House's tax legislation also would abolish the depletion allowance for the oil industry. Just as the senators from the gas-consuming states would filibuster deregulation to death, senators from the oil-producing states would filibuster any bill attacking the depletion allowance. All of these proposals deserve consideration on their merits, independently, at another time. None of them is worth jeopardizing the trade reform bill now.

A senator who votes for any of these extraneous amendments must do it in the knowledge that they are likely to kill the trade bill—and each of the amendments will pick up some votes intended to do precisely that. Any senator who wants the trade bill to pass will support agreements to prohibit any extraneous amendments at all. This position will be difficult for some senators. But the bill will pass only if the killer amendments are shut out—and it is a bill that carries a heavy freight of hopes and benefits.

Mr. ROTH. Mr. President, the Trade Reform Act is one of the most important piece of legislation we will have dealt with in this session of Congress. It is imperative that Congress act and act quickly in order that it can be adopted.

The issues involved are basic bread and butter issues for all Americans, not just for today and tomorrow but for the coming decade. Is Congress going to act responsibly to get this legislation adopted that is an essential part of any broad effort to get our economy back on track or are we going to play politics and end this session in a burst of economic futility. Is the United States going to provide the leadership needed to bring about a new international economic order or are we going to take a seat in the grandstands, watching the rest of the world go by.

Our economy and the world economy have entered a confusing and critical period in which we face new challenges even while we are still trying to solve the old ones. We know that we are facing a problem of shortages of raw material and energy supplies, that we are confronted with the phenomenon of worldwide stagflation, that the international monetary system is under severe strains from high oil prices and a massive problem of recycling, and that unemployment has reached an alarming 6.5 percent of the labor force.

We also know that trade accounts for 3 million American jobs and 20 percent of our farm income, that it provides critical raw materials that we do not have nor can we get unless we earn through our exports the foreign exchange required to buy them. We know that trade has been a fundamental part of our economic traditions and has been an engine of growth, helping to give the United States the world's highest standards of living.

It should be obvious to all that the world cannot afford crippling trade wars at this time nor another round of competitive, isolationist trade policies of the sort that so contributed to the great depression of the 1930's. We need trade legislation that will promote our products and has the potentiality to create new jobs and incomes for American workers and farmers at the same time it protects our key domestic industries.

I know of no one who contends that the Trade Reform Act is perfect in every respect, but I do believe that it is well-balanced responsible legislation that can provide the basis for achieving our world economic objectives and for helping the United States out of the current slump.

The passage of this bill cannot in itself guarantee a successful outcome of trade negotiations; obviously also requires a forthcoming attitude from our trading partners.

But it can be said that if this bill is not adopted, there will be no trade negotions and the opportunity to improve our trade position and provide new jobs through trade will have been lost. Without our leadership in the trade field, other countries are very likely to be responsive to our leadership in other related areas much as international energy and food problems.

If the United States is going to avoid a new depression, we are going to have to work together—both here in the United States and with other countries. This is going to require comprehensive economic policies, of which this bill is an essential element. We need trade negotiations on access to critical raw materials and energy supplies, and we have to overcome the many barriers, inefficiencies, and inequities in the current trading system.

The Senate Finance Committee, of which I am a member, has made many changes in the House bill designed to insure to the maximum extent possible that the President and our trade negotiators will use this bill to get a fairer break for U.S. industries and agriculture in international trade and to apply protection against excessive imports when necessary. I believe that anyone who reads this legislation carefully will see that it is a good bill, a bill in our national interest.

This bill is especially important to my home State of Delaware and its two key industries—chemicals and agriculture—both of which have significant and expanding international markets. The passage of the Trade Reform Act is vital to the continued economic health of Delaware and the country. In 1972, the last year for which statistics are available, exports of Delaware manufactured products amounted to $126 million, providing 1,900 jobs for Delaware workers. Our agricultural exports this past year were $37 million.

It is my intention to support this bill against nonrelated, nongermane amendments. Attempts to make the Trade Reform Act into a Christmas tree bill can only succeed in destroying the changes of passage of this bill. Senators know that we are down to the wire on the bill, that a conference with the House is still needed before this Congress adjourns. Consequently, in the interests of economic and political responsibility, I will support motions to keep the Trade Reform Act a "clean" bill which should be considered on its own merits, not on extraneous material, such as tax reform amendments or gas deregulation amendments which should be considered separately on their own merits. As the Washington Post said about some of these amendments, they "deserve consideration on their own merits, independently, at another time. None of them is worth jeopardizing the trade reform bill now."

Let me spell out what I believe to be the key elements of our bill.

First, it provides the President with the authority to negotiate tariff levels up or down within limits and negotiate on nontariff barriers to get the same opportunities for American products in foreign markets as those countries have in our markets. In this regard, there are two very important novel features in this bill. For the first time, the President can negotiate on the many nontariff barriers—various restrictions in the guise of health and safety regulations or special taxes which have crippled our ability to export into foreign markets even after substantial reductions in tariffs had been made. This authority is vitally needed to expand exports and jobs. The Finance Committee has added a requirement that the results of such negotiations must be submitted to the Congress for an affirmative vote so that we can insure that all such agreements are in our interest. Another important new feature is the extension of most-favored-nation tariff treatment to other industrialized countries conditioned upon their providing equivalent advantages to us. This will prevent smaller industrialized countries from gaining a windfall in GATT negotiations through being the beneficiary of concessions made by the larger countries to each other without having to provide reciprocal concessions in return. The Finance Committee is determined to stop this abuse of the spirit of the most-favored-nation principle underlying GATT.

Second, this bill strengthens basic legislation and statutes designed to protect our industries from unfair or disruptive import competition. We have included easier eligibility for escape clause relief—that is action to increase duties or apply some other form of import restriction when excessive imports injure a domestic injury. We have also made it mandatory for the President to take action on a finding of injury by the Tariff Commission. The Trade Reform Act updates and streamlines the countervailing duty law and the antidumping law to protect U.S. industries against unfair foreign export subsidies or dumping. Without the Trade Reform Act, the less stringent current laws and rules will remain in effect and American workers will be protected less effectively against injurious or unfair competition.

Third, the Finance Committee has included numerous provisions to insure tough bargaining by U.S. negotia-

tors. We have heard complaints in the past that our negotiators have not fought as hard on behalf of our industrial and agricultural interests as the foreign negotiating teams. In this regard, I was pleased that the Finance Committee adopted my amendment to strengthen liaison between the American negotiating team and the industrial, agricultural, labor, consumer, and other groups vitally affected by trade negotiations. I believe our interests deserve the same representation as foreign interests have. The committee has also adopted other measures to add congressional vetoes, congressional affirmative action, and more stringent congressional oversight to see that the best possible results are obtained from these negotiations.

Fourth, this bill provides an improved adjustment assistance program for American workers and firms. When I made a study of the adjustment assistance program in 1972, I was appalled to find that congressional intent had been thwarted by bureaucratic red tape and a very narrow interpretation of the law by the Tariff Commission. The Finance Committee has worked hard to make adjustment assistance an effective program within the constraints of a fiscally sound budget.

Fifth, this bill also provides for relief for Soviet Jewry, and other minority groups in the Soviet Union. I will speak on this provision in another statement, but I want to emphasie that without the Trade Reform Act, this relief will not be forthcoming. I have argued that trade with the Soviet Union must be used to obtain concessions from the Soviet Union in other areas of importance to the American people, not only emigration for Soviet minorities, but progress on arms control and obtaining a more cooperative Soviet attitude on other world political and economic problems. Détente must be a two-way street.

Sixth, we have also included a requirement that before nondiscriminatory tariff treatment and credits are provided to Communist countries, the President must also find that these countries have been cooperative in seeking a full account of our missing-in-action in Indochina. I strongly endorse this provision because I believe we must use our economic leverage on behalf of the men who loyally served our country and remain unaccounted for.

Seventh, this bill tackles the problem of access to supplies. It contains a negotiating mandate to enter into trade agreements to obtain access of supplies at reasonable prices. It also provides retaliatory authority against countries which deny us access to supplies. This authority is needed to help prevent another oil embargo.

For these reasons, I hope the Congress will adopt this bill speedily and send it to conference without nongermane, killer amendments. It has been 7 years since the President—and there have been three in that period—have had the authority to negotiate new trade agreements. New authority is badly needed. Some have argued that if this bill is not passed, the Congress can consider a new trade bill in the next session. After the Ways and Means Committee and the Finance Committee have each spent a year on this trade bill, I seriously doubt that there will be much enthusiasm for a new set of extensive hearings and deliberations. Both committees have other important business in the new session which demands their attention, especially in the fields of tax reform and health. Our trading partners have indicated that they cannot wait for another year while the United States is paralyzed by the lack of needed negotiating authority. The time to pass the Trade Reform Act is now.

POLISH AND HUNGARIAN ORGANIZATIONS SUPPORT HELMS AMENDMENT FOR REUNITING FAMILIES

Mr. HELMS. Mr. President, on Tuesday, I offered an amendment to the trade reform bill, No. 2022, which is intended to encourage nonmarket economy countries to afford freedom of emigration and freedom from harassment to very close relatives of persons residing in the United States.

This amendment expresses the concerns of ethnic groups originating from such nonmarket countries. I have recently received communications from the Polish-American Revival Movement Conference, and the American Hungarian Federation supporting the basic concept of the amendment which I will bring up at the appropirate time, namely, to encourage nonmarket countries to allow freedom of emigration to all ethnic groups, at least so far as individuals in those groups wish to be reunited with their very close relatives in the United States.

Mr. President, the amendments to which they refer in their letters are identical to No. 2022, except for some slight technical changes. Because of these slight variations, I will omit the texts which they submitted with their letters.

Mr. President, I ask unanimous consent that the two letters I have just referred to be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FIRST NATIONAL
POLISH AMERICAN REVIVAL
MOVEMENT CONFERENCE,
Garrett Park, Md., December 9, 1974.

HON. JESSE HELMS,
U.S. Senator,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR HELMS: As the National Executive Chairman of the Polish American Revival Movement Conference and on behalf of our members I am asking you for your support and assistance to have the United States Senate adopt an amendment to the Trade Reform Act of 1973 passed by the House of Representatives in 1973.

The text of the proposed amendment is herewith enclosed.

Recent statements by Secretary of State Kissinger revealed that the "deal" made with the Soviet Union relates only to Soviet Jews and not to other groups in the U.S.S.R. or East Central Europe. If this is correct than the interests of all the other peoples like Poles, Hungarians, Lithuanians, Latvians, Estonians, Czechoslovaks, Yugoslavs and others living within the Communist bloc have been betrayed.

I cannot believe that those who come here to the United States of America to fight shoulder to shoulder with the colonialists against the British to wrest independence for this country would accept such an appeasement of Government which violate the simplest human rights and turn their people into slaves of the Government. We should only remember Kosciuszko, Pulaski, Colonel Kovats, Lafayette fighting for the independence of a country, a free country, the United States. If we sell today the cause of human rights for better business relations, we are abandoning our independence and the moral foundation upon which the country has been built.

May we urge you to support this Amendment so that we look our children into the eye when they ask us what is liberty, honor and justice.

With best regards, we are
Sincerely yours,
BARON ALEX OSTOJA-STARZEWSKI,
President.

AMERICAN HUNGARIAN FEDERATION,
Washington, D.C., December 6, 1974.

HON. JESSE HELMS,
U.S. Senator,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR HELMS: At our National Convention in Cleveland between November 29–30, 1974 our federation, the national organization of most American Hungarian churches, fraternal associations and societies since 1907 endorsed an amendment to the Jackson-Vanik Amendment of the Trade Reform Bill.

The text of the Amendment is enclosed in this letter and is identical to the one proposed by Mr. Julius Mesterhazy of Detroit which we understand, you are going to sponsor.

We would like you to sponsor the amendment to the Trade Reform Bill and also keep us informed of any cosponsors and the votes for and against the amendment so that we may record the same for the benefit of our member organizations and churches.

We will on our part attempt to secure support for the amendment in the Senate in the form of cosponsors and votes.

With best regards, we are
Sincerely yours,
LASZLO ESZENYI,
Chairman, International Relations Committee, Vice President.
Rt. Rev. ZOLTAN BEKY, D.D.,
Bishop emeritus National President.
Z. MICHAEL SZAZ, Ph. D.,
National Director.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Jack Brooks, Howard Segermark and Peter Hughes have the privilege of the floor during the consideration of H.R. 10710, the trade reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT FORD'S SPEECH BEFORE THE BUSINESS COUNCIL

Mr. HARRY F. BYRD, JR. Mr. President, on another matter, I note from the New York Times today that President Ford, in a speech before the Business Council last night said that:

> If there are any among you who want me to take a 180-degree turn from inflation fighting to recessionary pump-priming, they will be disappointed.

Mr. President, I want to applaud President Ford for that statement. I think he is exactly right. I hope he stands firm in his determination to fight inflation.

What he said last night to the Business Council ties in with his eloquent address to Congress in his early days in office, and his statement to Congress at that time that inflation is the Nation's No. 1 problem, and that he will submit a balanced budget in January.

So I rise only to commend the President of the United States for his statement last evening.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRADE REFORM ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

ORDER FOR AMENDMENT TO TRADE REFORM ACT OF 1974 TO BE CONSIDERED AS HAVING MET REQUIREMENTS OF RULE XXII

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that my amendment be laid on the desk and considered as having been read for the purposes of complying with rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR AMENDMENTS TO TRADE REFORM ACT OF 1974 TO BE CONSIDERED AS HAVING MET REQUIREMENTS OF RULE XXII

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, if it meets the approval of all of the Senators, that all amendments which are at the desk tomorrow, amendments to the trade bill, which are at the desk, at the time the vote is announced on the motion to invoke cloture, will be considered as having met the reading requirements under rule XXII.

Mr. LONG. Mr. President, I am willing to agree to that provided the Senator introduces an amendment to that. I think it should be introduced from the floor, but I am willing to waive the reading requirements of all amendments.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Provided the amendment is actually introduced from the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I would like to address a question to the assistant majority leader and the manager of the bill.

The situation as it is at the present time, there is pending at the desk an amendment by the Senator from Louisiana to amend the title. The result of that amendment is that it precludes any other amendments coming to the floor without unanimous consent, which puts the Senate in the position that the Senator from Indiana is capable of preventing anyone else from proceeding with their amendments, that at the same time the Senator from Louisiana is in a commanding position to prevent any amendments coming to the floor of the Senate.

Is it the intention of the leadership to just continue in this stall?

I am asking as a point of information. I mean, I know where I am and I know I am in the Senate, I know I have to live with the rules and I am willing to live with the rules, but I would like to have a clarification of what we intend to do with this important legislation which should really be being debated at the present time if it is as important as everyone says it is.

Mr. GRIFFIN. Could I ask the Senator from Indiana a question at this point before there is a response?

Is the amendment that the Senator from Indiana seeks to offer a germane amendment to the trade bill?

Mr. HARTKE. It is not germane under the contention of the Parliamentarian, there is no question about that.

Mr. GRIFFIN. I thank the Senator from Indiana.

Mr. HARTKE. I am very honest with the Senator, I am not trying to lead anybody astray. I know when I am in a position when I cannot win. I know what is going on. I am not asking for mercy or pleading for anything under the Sun, but I think it is important we just sort of get the cards on the table and stop playing games with each other.

Mr. ROBERT C. BYRD. Mr. President, may I say to the Senator, I am not playing games with anybody—playing games with anybody.

I could not care less about this trade bill. I probably will vote against it.

I am not engaging in any stall.

The Senator from Louisiana had a right to call up his amendment and the Senator from Indiana has exercised his rights under the rules to prevent Senators from calling up their amendments by setting the Long amendment aside.

So I really do not understand the Senator's question when he speaks of a stall as far as this Senator is concerned.

Mr. HARTKE. Let me say that satisfies me as an explanation for the assistant majority leader.

I wonder if the manager of the bill would indicate whether he intends to have a vote on his amendment and when. No-one is talking about it.

Mr. LONG. Mr. President, I certainly expect a vote on the amendment in due course. I thought there might be some of those who might want to explain their views in addition to the Senator from Louisiana, seeing that it is a very significant amendment.

I believe the Associated Press recently sent out notices to all their correspondents that they should not refer to this bill as the trade reform bill. They said that reform means change for the better, and that begs the question: How would you know whether it is going to be a change for the better until you have had some experience with it? They say that hereafter their reporters are instructed not to refer to a tax bill as a tax reform bill, or a welfare bill as a welfare reform bill, to anything as a reform bill, because they say that that assumes the case. Reform, according to the dictionary definition, means change for the better. It is just like saying this is a good government. Experience will dictate whether it promotes good government or fails to promote good government.

I think this is a very significant amendment. I think we ought to quit putting names on measures which seem to say that if someone happens to disagree with them, that he is doing a disservice to the country and doing a dishonorable act to vote against them. I think a controversial measure should bear a neutral name.

Mr. HARRY F. BYRD, JR. If the Senator will yield, I am not sure what the amendment of the Senator from Louisiana is, but I want to commend the Associated Press for what he says the Associated Press is going to do.

Mr. LONG. They have done it.

Mr. HARRY F. BYRD, JR. That is, not referring to these bills as trade reform bills. The welfare bill was not a welfare reform bill. It was a welfare expansion bill. A tax reform bill in most cases is not a reform bill. I want to commend the Associated Press. Until the Senator from Louisiana brought this out, I was not aware of the Associated Press action, but I think it is a very desirable point for them to make.

Mr. LONG. I think we ought to quit bringing bills out here with a name which suggests that if someone votes against a bill, he is against motherhood, against good government, against honest elections, or against love of father, or some such thing as that, when that is not the idea at all. The bill ought to have a title so that history could tell whether it is a good bill or not. This ought to be, in my judgment, just the Trade Act of 1974.

Mr. HARTKE. Will the Senator yield?

Mr. LONG. I yield.

Mr. HARTKE. I quite agree that it is not a trade reform act. I agree with that 100 percent.

Let me ask a question, if I can. If you want to make a speech on the amendment before you, I am perfectly willing.

Mr. LONG. I just got through making a speech on the amendment.

Mr. HARTKE. I know. What I am trying to find out is if it is possible to either lay the amendment of the Senator from Louisiana aside, or to vote on the merits of the amendment?

Mr. LONG. We are going to vote on the merits of the amendment.

Mr. HARTKE. Can the Senator give me any indication of time?

Mr. LONG. I think we will vote on it in a hurry if the Senate votes cloture. If

the Senate does not vote cloture, that might result in very considerable debate. We cannot tell how these things go. I have seen where some that might be decided in a hurry take hour upon hour.

Mr. HARTKE. I hear, and I think I have a clear understanding now. I wanted to verify it.

In other words, this amendment is merely for the intention of preventing any other amendments from coming before the Senate unless the manager of the bill is inclined to accept the amendment.

That was the situation with the Senator from West Virginia. That was the situation with the Senator from Rhode Island.

As long as that amendment can stand there and impede any consideration, and prevent any consideration, of any other amendments, it is my understanding that the manager of the bill intends to keep it there. If that is the intention, if he will just tell me, I will be glad to abide by the rules and proceed accordingly.

Mr. LONG. I have never known a time, as long as I have been here, when somebody who had something pending, a bill or an amendment, prevented the Senate from doing something he was happy to see the Senate do. Nor can I recall a time when somebody had a bill up or an amendment pending when they were willing to step aside for somebody to do something they did not want the Senate to do. That has been my experience.

I would be very surprised if anybody did business in any other way, by putting a bill aside for something that he does not want to vote for, or does not want to vote on.

I guess you might say the answer is yes.

I think the amendment ought to be the pending business for the time being. In due course, I hope the Senate will vote on the amendment. But I think it would be a little premature now.

I do not think 50 Senators right now know an amendment is pending. I want the Senators to know the amendment and the compelling logic that, in my judgment, make me believe that it should be agreed to.

Mr. HARTKE. May I congratulate the manager of the bill for his astuteness and parliamentary agility. If he would permit me, if no one else wants to talk about this bill, I would like to try to educate the Senate about what I think the real deficiency in ths bill is, and some of the problems. I am at least willing to talk about the bill. That seems to be more than anybody else in the Senate wants to do. I am willing to talk about the problems of this trade bill.

Mr. LONG. I am willing for everybody to talk about it. I am willing to vote on everybody's amendments. In fact, it is because I want to have everyone's amendment which is germane voted on that I am pressing, as I have seldom ever done in the history of the Senate, to try to get us under a rule where we can be assured that everybody who has an amendment that he very seriously feels should be considered, and which is in fact germane, will have his amendment voted on.

If we try to vote on all the amendments that are not germane, we will be here a long time.

Mr. HARTKE. I would like to discuss the merits of this trade bill. I do not want to interfere with anything that can be done in a progressive fashion to do other business of the Senate. If the Senator has nothing else to do, I will be glad to go ahead and proceed, knowing full well that I am locked into the situation where the manager of the bill does not intend to permit me to offer the amendment which I think should be voted on.

Mr. LONG. In my judgment, the amendment that the Senator has offered is not going to be voted on unless it is the judgment of the Senate that we should not have cloture on the bill. In my judgment, if it is the judgment of the Senate we will not have cloture on the bill, we will not have the bill, period.

Mr. HARTKE. Is there any objection if I discuss my amendment, full well realizing that at this moment there is no chance for a vote?

Mr. LONG. If the Senator would like to make a speech, as far as I am concerned it would be all right with me.

Mr. ROBERT C. BYRD. The Senator indicated if the Senate had other business, it could proceed. Is that agreeable?

Mr. HARTKE. Yes.

AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask that the conference report on the Eximbank amendment be called up.

The PRESIDING OFFICER. The Chair lays before the Senate the conference report on H.R. 15977, which the clerk will report.

The legislative clerk read as follows:

The report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15977) to amend the Export Import Bank Act of 1945, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF ORDERS FOR RECOGNITION OF SENATOR BROOKE AND SENATOR GRIFFIN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the orders previously entered for the recognition of Mr. BROOKE and Mr. GRIFFIN on tomorrow be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR AMENDMENTS TO THE TRADE REFORM ACT OF 1974 TO BE CONSIDERED AS HAVING MET REQUIREMENTS OF RULE XXII

Mr. McINTYRE. Mr. President, I send to the desk an amendment to H.R. 10710 and ask unanimous consent that this amendment be considered as having been read, for the purposes of rule XXII of the Standing Rules of the Senate.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I do not intend to object—the Senator is merely asking that the amendment meet the reading requirements under the rule. Am I correct?

The PRESIDING OFFICER (Mr. CRANSTON). That is correct.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, I send to the desk two amendments to H.R. 10710, for the distinguished Senator from Maine (Mr. HATHAWAY), and I ask unanimous consent that these amendments be considered as having been read, for the purposes of rule XXII of the Standing Rules of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE EXPORT-IMPORT BANK ACT—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes.

Mr. STEVENSON. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. CRANSTON). The conference report on the amendment of the Export-Import Bank Act.

Mr. STEVENSON. Mr. President, I urge the Senate to adopt the conference report on the Export-Import Bank Amendments of 1974.

With only one exception, the conference sustained the Senate position on the issues of greatest concern to this body.

We restored the $300-million ceiling on authority for new credits to the Soviet Union. The ceiling can be raised only if both Houses of Congress by concurrent resolution give affirmative approval.

We restored the Senate provision requiring prenotification to the Congress of all proposed major Export-Import Bank transactions, regardless of the country involved. Hereafter, Congress

Mr. ROBERT C. BYRD. It might.

Mr. PROXMIRE. I do not think so, and, under the circumstances, I think we could accomplish our purposes if we simply adjourn now. Does the Senator have any objection to that? If we do not adjourn, we are going to talk all evening.

Mr. ROBERT C. BYRD. I have no objection. I have no wishes one way or the other. We can adjourn or continue to be edified by the speeches that are being made; whatever the Senators wish. I am the servant of 99 other Senators.

Mr. PROXMIRE. My suggestion is—whatever action the distinguished acting leader would like to take, I suggest we adjourn.

Mr. ROBERT C. BYRD. The Senator from Pennsylvania may not wish to at this time.

Mr. PROXMIRE. Fine. If we do not adjourn, then we shall talk.

Mr. SCHWEIKER. Let me say to the distinguished Senator, if it is the consensus to adjourn, I shall not stand in the way of adjournment.

Mr. PACKWOOD. Mr. President, a point of order.

If we do not adjourn, if we go on talking until 2 or 3 o'clock in the morning, or until we all get tired of talking, and if I were to ask at that stage for a rollcall on the vote and the rollcall started, what would be the procedure at that stage?

The PRESIDING OFFICER (Mr. GRIFFIN). The clerk would be instructed to call the roll.

Mr. PACKWOOD. I am assuming that at 2 or 3 o'clock in the morning, we would not get a quorum. Would we then adjourn until tomorrow morning?

The PRESIDING OFFICER. If we are unable to get a quorum, the Senate will adjourn until 9 o'clock tomorrow morning, in accordance with the previous order.

Mr. ROBERT C. BYRD. That would depend upon the wishes of a majority of those who are here. A majority of those who are here might not want to adjourn.

Mr. PACKWOOD. I understand that.

Mr. ROBERT C. BYRD. We could have a rollcall vote on the motion to adjourn. If the majority then voted to adjourn, we would adjourn.

Mr. PACKWOOD. If we are in the midst of a rollcall when we adjourn, would it then become the pending business in the morning?

Mr. ROBERT C. BYRD. If we adjourn for lack of a quorum, the first thing we would have to do tomorrow would be to establish a quorum. After we established the quorum in the morning, we would then proceed with the rollcall which failed for lack of a quorum.

Mr. PROXMIRE. If the Senator will yield, I think the situation is pretty obvious here. We are opposed to this, and we now have gotten into the cloture petition, which the distinguished senior Senator from West Virginia has filed. He is opposed to the bill, but he is acting in his capacity as a leader. We are going to vote on cloture on Saturday. Under the circumstances, it is pretty plain and clear that this Senator, and perhaps other Senators, intends, if necessary, to talk. We do not want a vote up or down. I do not want to vote up or down this conference report, until we have an opportunity to discuss it much further.

We will have an opportunity, in any event, to vote on the cloture motion on Saturday. If the Senator wants us to continue talking, we will accommodate him.

Mr. PACKWOOD. I understand that. I have no idea what the outcome of the cloture vote will be, and we are reaching the end of the session. The Senator from Wisconsin is fully capable of talking for an extended length of time, and we may reach the end of the session. If I had some assurance that after 8 or 10 or 12 hours of debate that we could have a vote, that would be fine; but I sense no assurance that we will get to a vote on this matter.

Mr. PROXMIRE. I think the Senator in correct. It is desirable under the present circumstances that we have a vote on the cloture motion.

Mr. PACKWOOD. We will have a vote on that.

Mr. PROXMIRE. That is right, and there will not be a vote before then.

Mr. PACKWOOD. No? There will not be a vote before then?

Mr. PROXMIRE. There will not be a vote before then. I would assume that if we talk all night, on the basis of the schedule announced by the Senator from West Virginia, tomorrow we would go on other business. Maybe not. Maybe we would stay on this. But I would assume that is what would happen. That is what the distinguished assistant majority leader announced he would do. We might resume this discussion Friday night, and then go on other business. We could talk tonight and all Friday night, but I think we all realize that would be futile.

Mr. PACKWOOD. Do I understand from the distinguished assistant majority leader that if we would get to 3 o'clock, and I would ask for a rollcall, he would ask for adjournment prior to the call of the roll?

Mr. ROBERT C. BYRD. If the Senator were to ask for a rollcall, a Senator who had not spoken twice already on this matter today might wish to take the floor again. He might wish to talk until daylight, before permitting the roll call to begin.

Mr. PROXMIRE. Or he might put in a quorum call, which might take several hours.

Mr. PACKWOOD. That is why I am asking. I wonder what happens in the morning, if we start the quorum call.

Mr. ROBERT C. BYRD. If the quorum call comes the last thing and becomes a live quorum, and is not completed, the first thing tomorrow would be the requirement that a quorum be established.

Mr. PACKWOOD. Then I would be out of business, unless we started the rollcall first?

Mr. ROBERT C. BYRD. We would just have a live quorum first thing tomorrow, if the vote had not started——

Mr. PACKWOOD. That is the question; what if a vote starts?

Mr. ROBERT C. BYRD. If a vote had begun, and a quorum were not present, the first thing tomorrow would be the establishment of a live quorum. We would immediately, then, go to a vote on the conference report.

Mr. PACKWOOD. And any Senator who has spoken once today cannot speak again without unanimous consent?

Mr. ROBERT C. BYRD. Oh, yes, he can speak twice today, and twice again tomorrow.

Mr. PROXMIRE. Then he can make a motion and speak twice on it, and when that is exhausted, he can make another motion and speak twice on it, and there are a number of motions to be made on a conference report: To be returned to conference with certain instructions, or the instructions can be changed, which is a separate motion—I can think of at least 100 opportunities to talk under those circumstances.

Mr. PACKWOOD. I have an intuitive feeling that we will not get to a rollcall tonight or tomorrow, so I think adjournment would be in order.

Mr. ROBERT C. BYRD. I will be glad to move to adjourn, but I want to be sure there is no misunderstanding as to my desire to adjourn.

Mr. PACKWOOD. I agree with the Senator. It is 8:30; my children have gone to bed; I have nothing better to do than stay here. But I do not sense that if we stay another 5 or 6 hours tonight, it will shorten tomorrow or the next day any.

Mr. ROBERT C. BYRD. All right. Is the Senator ready to yield the floor?

Mr. PROXMIRE. Yes.

Mr. ROBERT C. BYRD. Mr. President, I want to express appreciation to both Senators for their cooperation and understanding. I would say this also: they feel strongly about this conference report, and they have exercised their rights under the rules, and that is their privilege. I hope I have their understanding. They have mine.

ORDER DESIGNATING PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the Senator from Texas (Mr. TOWER) has been recognized tomorrow, there be a period for the transaction of routine morning business not to extend beyond the hour of 9:30 a.m., with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, the Senator from Texas (Mr. TOWER) will be recognized for not to exceed 15 minutes.

At the hour of 9:30 a.m., the Senate will go into executive session to consider the nomination of Melvin A. Conant as Assistant FEA Administrator. That nomination will be debated until 10:30 a.m.

At 10:30 a.m., the 1 hour of debate under rule XXII will begin running, the

debate being on the motion to invoke cloture on the trade bill.

At 11:30, the clerk will call the roll to establish a quorum. Upon the establishment of a quorum, or at about 11:45 a.m., the automatic rollcall vote on the motion to invoke cloture on the trade bill will occur.

Immediately thereafter, a rollcall vote on passage of the economic opportunity bill, H.R. 14449, will occur.

May I ask the Chair if the yeas and nays have been ordered on that vote?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

Immediately thereafter, a rollcall vote on the Conant nomination will occur. It is my understanding that the yeas and nays have not yet been ordered on that nomination, but they will be asked for.

Upon the disposition of the Conant nomination, the Senate will resume legislative session, and a vote, which will be a rollcall vote—although the yeas and nays have not yet been ordered—will occur on the companion House bill to S. 3883, a bill to improve the basic provisions of the veterans home loan program.

ORDER FOR 10-MINUTE ROLLCALL VOTES TOMORROW

I ask unanimous consent that all back-to-back votes after the initial vote tomorrow be 10-minute rollcalls, with the warning bell to be sounded after 2½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. So, Mr. President, there will be at least four rollcall votes back to back.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I noticed in the schedule it is provided that if cloture is not invoked on the trade bill, then there will be some back-to-back votes on other measures, and at the conclusion of those back-to-back votes, the Senate will establish a quorum on the cloture motion on the supplemental appropriation bill, and the Senator makes no provision for an hour of debate there.

I wonder if the Senator did that purposely, or whether he would be willing to allow the customary 1 hour of debate before the cloture vote, and, for that matter, before the establishment of a quorum.

Mr. ROBERT C. BYRD. Actually there is no provision under rule XXII for an hour's debate.

Mr. ALLEN. I recognize that, but that has been the custom since I have been here.

Mr. ROBERT C. BYRD. That has been the custom.

Under the rule, immediately following the four back-to-back votes tomorrow in the event cloture is not invoked on the trade bill, and upon the establishment of a quorum, a rollcall vote will occur on the motion to invoke cloture on amendment by Mr. HUGH SCOTT.

Mr. ALLEN. There would be no opportunity to debate the question?

Mr. ROBERT C. BYRD. There would be no opportunity except by unanimous consent.

Mr. ALLEN. I wonder if we could not get unanimous consent at this time for, say, 30 minutes equally divided then. I feel like the Senate needs to be brought up to date on just what is involved.

Mr. ROBERT C. BYRD. Well, the Senator certainly is always most cooperative with the leadership, and I would not want to deny him that request.

UNANIMOUS-CONSENT AGREEMENT—TRADE REFORM ACT OF 1974

Mr. President, I ask unanimous consent, in the event cloture is not invoked on the trade bill tomorrow, that immediately following the four back-to-back votes, and upon the establishment of a quorum, that being a requirement under rule XXII, there be 30 minutes for debate to be equally divided between Mr. ALLEN and Mr. HUGH SCOTT; and that at the conclusion of the 30 minutes the vote then occur on the motion to invoke cloture on the Scott amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, will the Senator further yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. That would come though after the back-to-back vote on the bills?

Mr. ROBERT C. BYRD. No. The way I stated my request the debate would come after the establishment of a quorum, following the back-to-back votes.

Mr. ALLEN. Yes, that would cancel out what has already been agreed to, that following the vote on cloture on the trade bill we would have these back-to-back votes on the bill.

Mr. ROBERT C. BYRD. No, it would not cancel those out.

Mr. ALLEN. Well, would the Senator not have votes on bills between——

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Chamber.

Mr. ALLEN. Would the Senator have these votes, back-to-back votes, between the two cloture votes as provided here?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. Yes, that is what I wanted to nail down.

Mr. ROBERT C. BYRD. But whereas ordinarily I think the Senator would expect the 30 minutes for debate to precede the establishment of a quorum prior to the vote on the motion to vote cloture, the way I have worded the request the quorum would be established first, prior to the 30 minutes of debate.

Mr. ALLEN. I have no objection to that, but I did want it to follow the back-to-back votes on the bills as already agreed to.

Mr. ROBERT C. BYRD. It would.

Mr. President, I want to change the request, as follows:

I ask consent that, immediately following the vote on the veterans bill, which is the last of the four back-to-back votes—in the event cloture is not invoked on the trade bill—there be 30 minutes for debate to be divided equally between Mr. ALLEN and Mr. HUGH SCOTT, after which the establishment of a quorum, as required by rule XXII, ensue; following which the vote occur on the motion to invoke cloture on the Scott amendment.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. I am simply putting the debate ahead of the quorum call rather than the reverse as would have been the case.

Mr. ALLEN. That is as provided by rule XXII already.

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I thank the distinguished assistant leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Following the four back-to-back votes, if cloture has been invoked on the trade bill, that business will be before the Senate to the exclusion of all other business until the trade bill is disposed of.

However, if cloture is not invoked on the trade bill then, following the four back-to-back votes, there will be one-half hour of debate—by virtue of the request entered and consented to—on the motion to invoke cloture on the amendment by Mr. HUGH SCOTT.

Following that 30 minutes of debate, there will be the establishment of a quorum, after which a vote would occur on the motion to invoke cloture on the amendment by Mr. HUGH SCOTT. If that motion were to carry, then the amendment by Mr. HUGH SCOTT to the amendment No. 17 in disagreement, in the supplemental appropriations bill conference report, would be the business before the Senate until disposed of.

So I would say, Mr. President, that there will be, at the very least, five rollcall votes tomorrow.

LEGISLATIVE PROGRAM FOR SATURDAY, DECEMBER 14, 1974

Now, on Saturday, in order that the Senators may be fully informed, there will be at least one rollcall vote on a motion to invoke cloture on the Eximbank amendment conference report. There may be other rollcall votes on motions to invoke cloture, depending on the outcome of those votes to invoke cloture on tomorrow.

ORDER FOR AMENDMENTS TO TRADE REFORM ACT OF 1974 TO BE CONSIDERED AS HAVING MET REQUIREMENTS OF RULE XXII

Mr. President, I ask unanimous consent that all amendments to the trade bill now at the desk be considered as having met the reading requirement under rule XXII.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my request earlier today dealing with amendments to the trade bill, with respect to reading requirements, be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Rhetoric is no substitute for a policy. Further study simply puts off the hard decisions a little longer.

On the international level, we have to consider both the short and the long term needs and possibilities.

Secretary Kissinger sounded the right theme of interdependence at the World Food Conference when he concluded in his opening speech:

"Our responsibility is clear.

"Let the nations gathered here resolve to confront the challenge, not each other.

"Let us agree that the scale and severity of the task require a collaborative effort unprecedented in history.

"And let us make global cooperation in food a model for our response to other challenges of an interdependent world—energy, inflation, population, protection of the environment."

To date, we have not really taken up this challenge. Our government has been debating internally whether it should provide $800 million, $1 billion, or $1.4 billion in food aid during the current fiscal year.

And should we increase our food aid to meet the humanitarian needs? Present plans are to ship more than two-thirds of our entire P.L. 800 program for political rather than humanitarian purposes. It is quite clear that our government would prefer to play ivory tower politics with our food assistance than be disturbed in terms of responding to the world food needs.

It also is evident that the Administration would rather talk about long-range solutions rather than face the need of responding to the millions of people facing starvation and malnutrition.

The same negative leadership which has allowed our domestic agricultural economy to deteriorate has been most reluctant to provide strong leadership on the world food front.

In spite of this reluctance, we must provide leadership on both fronts. The Congress, farmers and concerned citizens must support the effort.

First, we need to enact legislation to provide our farmers a fair return through increased price supports and government purchases.

Second, we should urge our government to find ways of increasing its food aid commitment beyond present plans in concert with other nations.

The needs are likely to grow by spring time. To date, we have been extremely reluctant even to indicate that we are concerned and are negotiating seriously with other nations.

Third, we need to make a serious effort to follow up the work of the World Food Conference with respect to the longer-range solutions to the world food needs.

If we today faced a military confrontation of the same dimensions as the food crisis, we would respond on a crash basis.

We have no difficulty in understanding and responding to a military security challenge, but food security is not yet understood as a serious need and requirement.

Instead, we seem weary and unwilling to use our imagination to respond. There are many things which we could do if we appreciated the dimension of the world security threat and had the will to act.

We have ample supplies of wheat, rice, meat and non-fat dry milk which we could and should utilize.

The developing countries must be urged and assisted in trying to get ahead of their basic food and population survival struggle.

To follow-up on the World Food Conference I am today introducing a resolution calling on the Administration to establish a high level Food Coordinator.

This person would build on the very effective work of Ambassador Edwin Martin in preparing for and participating in the World Food Conference.

It would be unfortunate to allow the Rome initiatives to slip through our fingers by scattering the work throughout the bureaucracy.

This person also would have to deal with the immediate food aid need which the government has tried to ignore.

I call upon my colleagues and all concerned Americans to support this initiative.

The time to respond is growing short. I would be the first to point out the past generosity of our citizens.

But today we face a new battle, and we need new ideas and above all a renewed dedication.

I ask you all to join me in this effort.

AMENDMENTS SUBMITTED FOR PRINTING

TRADE REFORM ACT OF 1974—H.R. 10710

AMENDMENTS NOS. 2063 AND 2064

(Ordered to be printed and to lie on the table.)

Mr. RIBICOFF submitted two amendments intended to be proposed by him to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

AMENDMENTS NOS. 2066 THROUGH 2070

(Ordered to be printed and to lie on the table.)

Mr. TAFT. Mr. President, I send to the desk five amendments to H.R. 10710. The Trade Reform Act.

I ask unanimous consent that these amendments be considered as having been read to meet the requirements of rule XXII, should cloture be invoked in connection with H.R. 10710.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. These amendments are quite simple. The first would state specifically that small business interests should be represented adequately on the trade negotiation advisory committees. The Finance Committee's report asks on page 102 that "special consideration be given to consultation with those representing the interests of small business". I applaud the committee on that statement. However, particularly in view of complaints I have received that the advisory committees set up thus far do not include sufficient small business representation, I believe that there should be specific statutory language to this effect.

The second and third amendment involve concepts taken from the Trade Adjustment Assistance Act (S. 1156), which was introduced in 1972 and again last year by the Senator from Illinois (Senator PERCY) and me.

The second amendment requires that the President's "Annual Report on the Trade Agreements Program" include a list of the import relief measures such as tariffs and quotas which are presently in effect, and an estimate of the effects of each such measure on American consumers. In particular, both consumers and Government officials should know who is benefiting from import relief at the expense of higher U.S. prices, and by how much. Present U.S. import barriers are already estimated to cost American consumers about $10 billion annually in higher prices.

Provision of this information regularly should not result in a denial of needed import relief, but it should foster closer monitoring of the import relief program.

The third amendment would allow the President to terminate import relief prior to the end of the 5-year period, or the 3-year extension of that period, if he finds that such termination would be in the national interest. He could only take such action after taking into account the results of an international trade commission investigation, which must include a hearing at which interested persons can produce evidence and express tehir views. He would also have to seek the advice of the Secretaries of Labor and Commerce prior to the finding, and to notify Congress of his decision and the reasons for it 30 days before the termination would take effect.

I am proposing that amendment because I do not believe that import relief should be considered an absolute right for the 5 years after it has been granted. Sheltered industries should use the time to adjust to import competition. If, for example, the sheltered industry is increasing its prices excessively without making an appreciable effort to improve its competitive situation, the President should be able to terminate import relief prematurely.

The fourth amendment would prohibit the granting of tariff preferences to India until that country fulfills her international obligation to enforce arbitral awards made against her and in favor of U.S. citizens or corporations. As I intend to explain more fully, it has come to my attention that even though India is a contracting party to the United Nations convention on the recognition and enforcement of foreign arbitral awards, the awards which have been assessed legitimately against India have not been collectable. The result has been considerable financial loss for some American citizens.

The fifth amendment applies the same condition as the fourth amendment to

the granting of tariff preferences to any developing country, rather than India specifically.

I ask unanimous consent that the amendments be printed in the RECORD at this point.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2066

On page 61, line 8, after the word "agriculture," insert the following: "small business,".

On page 62, line 5, after "interests", insert the following: "(including small business interests)".

On page 62, line 16 after "interests", insert the following: "(including small business interests)".

On page 69, line 1, after "agriculture," insert the following: "small business,"."

AMENDMENT No. 2067

On page 98, at the end of line 23, insert the following:

"Such report shall also include a list of import relief measures in effect which have been provided pursuant to section 203 of this Act or section 351 or 352 of the Trade Expansion Act of 1962 and the estimated effect of each such measure on consumers (including its estimated cost to consumers, taking into account the price and availability of the imported article and the like or directly competitive article produced in the United States)."

AMENDMENT No. 2068

On page 123, between lines 3 and 4, insert the following new paragraph:

"(4) Any import relief provided pursuant to this section may be reduced or terminated by the President if he determines, after taking into account the advice received from the Tariff Commission under subsection (1)(2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest. The President shall submit to Congress a notification of any such determination, and an explanation of his reasons therefor, at least 30 days before such reduction or termination takes effect.

On page 123, line 11, strike out "(4)" and insert in lieu thereof "(5)".

AMENDMENT No. 2069

On page 270, at the end of line 15, insert the following:

"In addition, the President shall not designate India a beneficiary developing country under this section until its Courts and other governmental instrumentalities act in good faith in recognizing as binding and in enforcing arbitral awards in favor of United States citizens or a corporation, partnership or association which is 50 percent or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute."

AMENDMENT No. 2070

On page 270, line 8, strike "and".

On page 270, line 15, strike the period and insert in lieu thereof the following: "; and".

On page 270, between lines 15 and 16, insert the following new paragraph:

"(7) if such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of United States citizens or a corporation, partnership or association which is 50 percent or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute."

STANDBY ENERGY EMERGENCY AUTHORITY ACT—S. 3267

AMENDMENT NO. 2077

(Ordered to be printed and to lie on the table.)

Mr. WEICKER. Mr. President, I am submitting an amendment that would mandate the President to include in his report to Congress on the reduction of oil imports required under section 202 of the Energy Authorities Act, a plan for the reduction in oil imports by at least a million barrels per day. My amendment does not change the nature of the report required under section 202, other than establishing a minimal goal for a reduction in oil imports. The President would be responsible for enumerating the various means, legislative and otherwise, of achieving the minimal goal of a million barrels per day reduction in oil imports.

The President in his economic message of October 8, 1974, endorsed the goal of reducing the amount of oil imported into the United States by a million barrels a day by the end of 1975. I think that both the President and the Congress must now work together to achieve this goal.

I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2077—INTENDED TO BE PROPOSED TO AMENDMENT No. 2006

On page 48 of the amendment, beginning with line 6, strike out all through line 17.

On page 48 of the amendment, line 18, strike out "(d)" and insert "(c)".

On page 48 of the amendment, line 19, strike out "system-".

On page 48 of the amendment, line 20, strike out "atically".

On page 49 of the amendment, line 7, beginning with the comma, strike out all through the period on line 10 and insert in lieu thereof the following: "into the United States by at least one million barrels a day by the end of 1975."

On page 51 of the amendment, beginning with line 24, strike out all through line 5 on page 52.

On page 52 of the amendment, line 6, strike out "(13)" and insert "(12)". On page 52 of the amendment, line 12, immediately after "of" insert "at least".

On page 51 of the amendment, line 23, immediately after the semicolon, insert "and".

AMENDMENT NO. 2078

(Ordered to be printed and to lie on the table.)

Mr. HUGH SCOTT. Mr. President, recently I introduced S. 4162, the Energy Disaster Assistance Act of 1974. It provides for coordinated Federal and State efforts during a time of designated energy emergency or energy disaster.

Today I wish to offer a slightly modified form of S. 4162 as a new title to S. 3267, a bill to provide standby emergency authority to assure that the essential energy needs of the United States are met.

My amendment is a good complement to Senator JACKSON's proposal. It provides for a coordinated Federal response in a short term emergency problem, while S. 3267 as now written sets up more long range solutions.

Mr. President, I ask unanimous consent that this amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2078

On page 163, line 22, insert the following:

TITLE III—PROGRAM FOR FEDERAL ASSISTANCE IN ENERGY EMERGENCIES AND ENERGY DISASTERS

DEFINITIONS

SEC. 301. As used in this title

(1) "energy emergency" means a shortage of or a price level of energy supplies which the President or the head of the appropriate Federal agency determines has caused or is threatening to cause an inability to meet essential energy needs in any geographic area;

(2) "energy disaster" means an energy emergency determined by the President to be of such severity and duration as to cause or threaten to cause a danger to the public health or safety in any geographic area; and

(3) "energy supplies" means any source of energy used for heating, cooling, lighting, transportation, or the generation of electricity.

PROCEDURE

SEC. 302. A request for a determination that an energy emergency or energy disaster exists in any area shall be made by the Governor of the State in which the affected area is located to the President or to the Federal agency designated by the President for the purpose of this Act, after consultation with the Energy Resources Council. Such a request shall be based upon the Governor's finding that the shortage or price of energy materials is of such severity and magnitude that effective response is beyond the capability of the State and local governments affected. Such a request shall contain such information as the President or the appropriate agency head prescribes.

FEDERAL ASSISTANCE

SEC. 303 (a) In the interest of providing maximum delivery of Federal assistance under this Act, the President or appropriate agency head shall coordinate the activities of all Federal agencies providing energy emergency or disaster assistance. The President may direct any Federal agency with or without reimbursement to utilize Federal person-

especially important in light of today's inflated housing costs and the depressed state of the U.S. housing market. Housing starts are so low that many of the smaller, family timber businesses in my State of Idaho have been forced to shut down their machinery. Our affirmative action today, plus earlier action to pump more funds into the mortgage money arena should help strengthen our slumping housing industry.

H.R. 15912 will increase the basic housing loan guarantee available for veterans from $12,500 to $17,500.

For mobile homes, the loan limits will be raised to $12,500 for a single-wide home and $20,000 for a double-wide home. Double-wide mobile home loan maturities will be extended from 15 to 20 years.

The grant available to severely disabled veterans for necessary specially adapted housing has been increased to $25,000.

Restrictions on condominium purchasing have been eased, thus opening wider this housing option to veterans. Restrictions as to which institutions may make "automatic" loans—loans made without having to submit applications to the Veterans' Administration for prior approval—will be lessened under forthcoming standards to be set by the VA Administrator.

This measure will also allow restoration of a veteran's entitlement to a guaranteed, insured or direct loan, provided his prior veteran's housing loan has been paid in full, the VA's liability has been released, or an immediate veteran-transferee has assumed the outstanding loan balance. To regain one's loan entitlement, the property must also be disposed of or destroyed by a natural hazard.

The chairman and other members of the committee are to be commended for the atmosphere of cooperation and bipartisan attention to veterans' needs which have prevailed this last year. Also, I extend my appreciation for the hard work of the staff during a busy year which included legislation to strengthen veterans' benefits for education, disability compensation, insurance, automobile adaptive equipment and housing.

I urge you to vote affirmatively for H.R. 15912, so adequate housing can be brought within the reach of all veterans.

TRADE REFORM ACT OF 1974

The PRESIDING OFFICER. The Chair lays before the Senate H.R. 10710, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. Time for debate on this motion is limited to 1 hour.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for debate on this cloture motion be equally divided between Mr. LONG—and I am trying to think of someone who will oppose the cloture motion—suppose I give the time to Mr. HARTKE in opposition to the cloture motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG I yield to the distinguished Senator from Connecticut (Mr. RIBICOFF) such time as he may desire.

ORDER FOR AMENDMENT TO TRADE REFORM ACT OF 1974 TO BE CONSIDERED AS HAVING MET REQUIREMENTS OF RULE XXII

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes.

I am submitting two amendments to the Trade Reform Act of 1974 (H.R. 10710).

I ask unanimous consent that these amendments be treated as though they were presented and read in order to comply with the reading requirements of the second paragraph of rule XXII, if cloture is invoked on the bill, or any amendment thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I am pleased that the distinguished Senator from Indiana is on the floor. There is often a great deal of difference in the Finance Committee on many provisions that come before the committee on health, social security, unemployment compensation, and taxes. However, when it comes to trade, there seems to be a practical unanimity among all the members as to protect American industry and American labor. As a result we have, in my opinion, considerably strengthened the House bill.

Several years ago in a report to the Senate Finance Committee, I observed that ecopolitics would replace geopolitics as the prime concern of international relations.

The events since then have borne out this trend. There have been major changes in the structure of the world economy. New economic powers have emerged. New words and phrases such as petrodollars and recycling have entered our vocabulary. The economic balance between nations has shifted dramatically.

Most obvious is the severe strain placed on the world's monetary and trading systems as once strong nations of the West are faced with national bankruptcies, while small natural resource rich countries ponder what to do with all their wealth.

After years of relegating international economics to a low status, the administration and the Congress have begun to recognize this new reality and are attempting to reorder our economic and foreign affairs priorities to meet the challenges ahead.

The trade bill before us today is the result of many months of arduous labor by the committee and its staff. It was drafted with the future in mind and is not wedded to outdated slogans or methods. Its goal is the safeguarding of the American economy through the establishment of fair trade practices worldwide.

The distinguished chairman of the Finance Committee, Mr. LONG, has described in detail the provisions of the Trade Reform Act of 1974. I would, however, like to comment on two aspects of this bill—first, the increased role Congress must play in developing and implementing our Nation's trade policies, and second, the new safeguards built into it for American business and labor.

In the past the role of Congress in trade has been limited to the enactment of periodic changes in our trade laws. With these powers in hand, Presidents have negotiated agreements with virtually no congressional input or review.

In fact, for too many years our trade negotiators—lulled, perhaps, by a feeling of American economic invincibility—bargained with our trading partners as if they were trying to see how much advantage they could give away without Congress making too much of a fuss. While the German, Japanese, and French economies boomed, and flooded our markets with their goods, not enough was done to cushion the impact on American businesses and workers or to gain equal competitive market access for American goods.

Because of the tremendous effect trade agreements have on the American economy, the Finance Committee believes that the Executive no longer has the sole authority in negotiations. It is vitally important that, if the United States is to have a consistent trade policy; Congress must play a major and continuing role. This bill strikes the appropriate balance of providing the President with necessary authority to enter into trade agreements while preserving the constitutional role of the Congress "to regulate commerce with foreign nations."

Under title I of the bill the President would be authorized to enter into trade agreements to eliminate nontariff barriers which impede U.S. exports of goods and services and which are injurious to the U.S. economy.

However, before formally entering any such agreement, the House and the Senate would have to be notified in advance, and all such agreements would have to be submitted to Congress. Both Houses would have to approve the agreement by majority vote before they could become the law of the land. A procedure has been established in the bill to insure that no agreement can be held up in committee and the full House and Senate will have an opportunity to vote on every agreement.

In the past, trade negotiations have resulted in agreements which effectively neutralized or even negated existing laws or administrative requirements. The International Antidumping Code is an example. For that reason, the bill before us today requires that any new trade agreement entered into by the President which would change domestic Federal law or materially change administrative regulations has to be approved by the Congress before it could take effect. To do otherwise would be to reverse the constitutional roles of the legislative and executive branches and would be an abrogation of our legislative responsibilities.

In addition, both Houses must approve by concurrent resolution the extension of trade benefits under future trade agreements negotiated with nonmarket countries. Further, either House may veto the extension of benefits to nonmarket nations which have entered into trade agreements prior to the passage of this bill.

These provisions are not designed to cripple or hamper the Executive's ability to negotiate with foreign nations. They were drafted in recognition of the fact that the President and the Congress must work together to protect American economic interests. Congress has too often allowed trade negotiations to be carried out by the executive branch and acquiesced in their agreements without properly reviewing the real results.

The bill we consider today strengthens the ability of the Congress to monitor and shape U.S. trade policy during the negotiating process and provides procedures for positive approval of nontariff barrier agreements and congressional overrides of certain Executive actions.

For example, the Congress will now be able to override decisions by the President to provide import relief other than that recommended by the International Trade Commission—the renamed Tariff Commission—and decisions by the President to retaliate against foreign nations discriminating against the United States on a most-favored-nation basis rather than against the specific offending country.

Title III of the bill makes major procedural as well as substantive changes in the countervailing duty law, the antidumping law and other statutes dealing with unfair foreign trade practices. These changes are designed to speed up investigations of subsidized imports, price discrimination, and other unfair practices such as patent infringement.

If the President at a future date decides to suspend the imposition of countervailing duties, he would have to report that decision to the Congress. If either the House or the Senate determines that such a suspension would injure U.S. interests it can, by a simple majority, override the decision and require the administration to immediately impose the duties.

We should not, however, limit ourselves to simply waiting for final agreements. In order to assure adequate congressional oversight over the complex and lengthy negotiating process, five Members of the House and five of the Senate will act as advisers to the U.S. delegation.

Another important reform contained in this bill is the creation of several new negotiating objectives. In the past the main thrust of our negotiations has been to open up markets for American products. However, in recent years the political and economic climate around the world has changed and we can no longer rely on a steady stream of raw materials from overseas to our manufacturers. For that reason, this bill establishes as a principal negotiating objective trade agreements with nations which supply essential materials to the United States and which the United States could not otherwise easily obtain or produce itself.

With the increasingly critical supply problem in mind the committee also decided that trade preferences would be denied any nation which entered into a cartel withholding supplies of vital materials or changing monopolistic prices which created serious economic problems. The provision would apply specifically to members of OPEC and to any other nation which took similar action in the future. A member of such a cartel could, however, qualify for preferential treatment by entering into an agreement assuring the United States of access to essential articles at reasonable prices.

The bill also establishes, as principal negotiating objectives; first, the goal of obtaining equivalent market opportunities, within appropriate sectors of manufacturing, services and agriculture, for the commerce of the United States and, second, to obtain an international safeguard procedure designed to permit the use of temporary devices to ease the adjustments inevitably brought about by the increases in world trade and investment.

In addition to extending the scope of our negotiating objectives, we have also enlarged the number and types of industries to be covered in our negotiations.

Our past negotiating goals have been the protection of our agricultural and manufacturing sectors and the establishment of market for their products. In the last few decades, however, service industries have gained an increasing portion of our economy and our exports. Until now they were rarely, if ever, the subject of trade negotiations. Foreign discrimination against our insurance, banking, air transport, and other service industries can, nevertheless, be just as damaging to our economy as trade barriers on manufactured or agricultural goods. For that reason the definition of "commerce" in this bill has been expanded to include "service," thus putting our negotiators and their foreign counterparts on notice that the international treatment of our service industries is now the subject of great concern to the Congress and the Nation.

In addition to the reforms of our negotiating process, this bill also provides new opportunities and safeguards for American business and labor.

Just as the Congress has been ignored in earlier negotiations, so have the managers and workers of the industries under discussion. Too often the beneficiaries and victims of trade negotiations have learned where they stand only after the negotiations had been completed. It is important not only for the affected industries to be aware of what is going on at the bargaining table, but equally important for our negotiators to have the best information available. As a result the bill establishes three new types of advisory committees to enable business, agriculture, and labor to provide advice and information to our negotiators on a formal and continuing basis.

In order to assure fair treatment for American industry and workers the bill contains several new provisions designed to eliminate redtape and insure business a strong voice in proceedings which might affect them. These include:

A complaint procedure where interested parties could petition the special representative for trade negotiations to conduct a review with public hearings of alleged unfair trade practices and policies;

Americans will have an equal right to appear at hearings that affect their business;

Before entering into a proposed trade agreement, the President would have to make public a list of the articles under study;

In seeking import relief, the criteria for determining injury has been relaxed;

Import relief is now mandated where a finding of injury is made;

American business and industry will be able to obtain judicial review of negative anti-dumping decision; and

New stricter time limits will be placed on complaints. Too often in the past irreparable harm took place while a case was tied up in redtape.

There will be times when domestic industries are adversely affected by imports. Twelve years ago the Congress created a program of adjustment assistance to help such firms and their employees. Unfortunately, the program became meaningless because of restrictive procedures and never produced significant results.

The committee has, therefore, made major reforms in our industry and workers assistance programs and, with the strong support of the chairman, adopted a suggestion of mine to create a new community adjustment assistance program.

The basic change in the worker and firms assistance programs is the liberalization of the triggering mechanism.

The eligibility requirements for qualifying for adjustment assistance has been significantly relaxed. Most important, petitioners will no longer have to establish a causal link between tariff concessions and increased imports. Increased imports, no matter what their cause, will only have to contribute importantly to the difficulties, experienced by workers and firms.

These changes, plus the elimination of needles, redtape and the speeding up of processing, will hopefully lead to more speedy and effective relief. For example, in the case of workers, not only will eligibility tests be eased, but the levels of benefits will be increased and new programs instituted to help workers find new employment.

Finally, the bill creates a new program to help whole communities damaged by import competition. Experience has shown us that when a community relies heavily on one industry, the deterioration and even collapse of that industry can result in the economic deterioration of the community.

Once an area is determined to be "trade impacted," it would be eligible for a variety of developmental assistance including direct grants. The Secretary of Commerce will be able to offer guaranteed loans to industries capable of creating new, long-term job opportunities and willing to settle in the area.

If a company is determined to relocate outside the United States, the bill

requires it to assume certain responsibilities toward their employees displaced by foreign competitors. These include:

First. Advance notice of at least 60 days to the employees to be laid off;

Second. The same advance notice to the Secretary of Labor and the Secretary of Commerce explaining the reasons why the relocation is necessary;

Third. Utilization of economic adjustment assistance to which such firm is entitled under this bill;

Fourth. Offering alternative employment opportunities in other facilities within the United States and, finally

Fifth. Providing material assistance in the relocation of these workers to other communities in which employment opportunities exist.

Mr. President, I wish to commend the chairman and the other members of this committee for the diligent work they put forth in developing a good bill with adequate safeguards to protect American labor, communities, and industries while directing the President to negotiate for fairer and freer trade principles and practices for all the nations of the world.

It is vitally important that the Congress adopt it before we adjourn. I would also like to commend the Finance Committee staff and in particular Chief Economist Bob Best who put in long hard hours helping the committee develop this important bill.

This Nation can no longer afford to stand by and open its markets while other nations protect their economy by discriminating against U.S. trade and production. The bill before us today would enable the President to strike surely and swiftly against unfair trade practices such as injurious price discrimination, subsidies and patent infringement. The goal of this trade bill is to foster the development of a mutually fair trade system beneficial to the United States and the nation with whom we trade.

I ask unanimous consent that a list showing the highlights of safeguards in the bill and a list showing the increased role for campus be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL PARTICIPATION AND OVERSIGHT

Congress must approve:

All Trade agreements (for which authority has not been specifically delegated) which change domestic law or administrative rulemaking. § 121(c)

Granting of Trade and commercial benefits to non-market economies under new bilateral Trade agreements. § 4025

Congress may veto:

Extension of Trade and commercial (credit guarantees) benefits to any non-market country, including USSR, § 407

President's refusal to provide adequate import relief to industries injured by imports. § 203(c)(1)

Presidential waiver of countervailing duties, § 515(e)

Congress Oversight:

Five Senate and five House members to be official advisors given full access to negotiations. § 161

Full staff participation in negotiations, to keep Committees informed. § 161

HIGHLIGHTS OF SAFEGUARDS IN TRADE BILL

1. Expands definition of "commerce" to include services thus placing insurance, banking, air carriers and others under purview of the Act and subject of negotiation. § 601(10)

2. Establishes Advisory Committees so business and labor can have a voice in developing and monitoring negotiating policy. § 135

3. Makes "access to supplies" a negotiating objective, thus helping insure a continual supply of raw materials to American industry. § 108

4. Establishes complaint procedure so industry and others can petition the Special Representative for Trade Negotiations to conduct a review, with public hearings, of alleged unfair trade practices. § 193(d)(2)

5. Allows U.S. interests to have an equal and automatic right to appear at hearings under Anti-Dumping Act. House bill would only give foreign manufacturers and importers such a right. § 201(d)

6. President would have to make public a list of articles being considered by trade negotiations.

7. The criteria for determining injury from imports to a domestic industry has been relaxed. The casual link between trade agreement concession and injury has been eliminated and increased imports need only be "a substantial cause" rather than "the major cause" of actual or threatened injury. § 251

8. If injury from imports are found, then the President is mandated to implement import relief or provide adjustment assistance (if the Commission finds that is a viable alternative). President retains flexibility as to type of relief, but loses past option of providing no relief. § 202

9. Domestic producers given right to judicial review of negative price discrimination determinations, just as foreign producers have right to judicial review of positive price discrimination determinations.

10. For the first time, time limits and procedures are established to assure a final determination and action on countervailing duties. § 331 Also, American interests have the right to judicial review of negative countervailing duty determinations.

Mr. RIBICOFF. Again, may I point out there has been unanimity on the committee under the leadership of the chairman to assure that this bill has been carefully devised to protect American interests, American industry, and American labor.

The PRESIDING OFFICER. Who yields time?

Mr. HARTKE. Mr. President, I yield myself 5 minutes.

The issue in this is not whether or not the Finance Committee is unanimous in its approval of this measure; the issue in this debate is not whether or not the bill is a good bill or a bad bill. The issue in this debate simply is that we have the remarkable situation in which a cloture motion to close off debate of the Senate was filed before there was any debate, before there was any discussion, before there was any opportunity to review the so-called trade reform bill.

Now, repeatedly we have heard the President—this one and the prior President—say that the trade bill is the most important piece of legislation to be debated during the session of Congress. Secretary of State Kissinger, just recently in an appearance before the Finance Committee on December 3, reiterated that same position.

However, despite the overwhelming importance of this legislation to the United States and to the world, we are being asked to limit debate to 1 hour for each Senator. This is a remarkable procedure, unprecedented in the history of the Senate.

Now, frankly, no one is under any misapprehension that I have serious questions about this bill. But that is not the real issue involved. I have introduced six amendments to this bill. There are many other amendments at the desk. There is the so-called Jackson compromise which, I daresay, at this moment is completely misunderstood. These important amendments should generate a lot of discussion if, for no other reason, than to be sure the legislative history on this measure is very clear.

I do not believe that even one of my amendments could really be adequately considered in 1 hour. But here we are, the entire bill is going to be disposed of with each Senator having only 1 hour to discuss it.

One of the results of the cloture motion, as I said, is not alone to limit debate, but also as it deals with the question of germaneness.

I have proposed three amendments to this bill which would amend the Internal Revenue Code.

Under the very strict interpretation which has been imposed by the Parliamentarian, these amendments will be considered to be out of order. Whether they are technically germane or not, Mr. President, is an issue which probably can be decided by the Parliamentarian, can be decided by the Senate. But there is no question whatsoever that my amendments concern tax provisions which affect income earned abroad by United States multinational corporations.

Mr. RIBICOFF. Mr. President, I wonder if the Senator would yield at that point?

Mr. HARTKE. I would be glad to yield as long as it is not on my time.

Mr. RIBICOFF. I wanted to commend the Senator for those amendments, and to say they are important and necessary for this country.

At the proper time the Senator may be assured of my complete support to see that these amendments are agreed to, and I commend the Senator for taking the lead in these proposals.

The only difficulty is that if the amendments were adopted now they would not become law, and neither would the trade bill become law.

Mr. HARTKE. I hear what the Senator from Connecticut says, but I want to go ahead and make this point.

The fact is that they have said they are not germane in the technical sense. Yet I think to anyone who knows anything about the legal framework within which our foreign trade occurs, they are definitely germane, and how can we really reach such amendments which the Senator says he is in favor of—and I thank him for endorsing it with us—without having them discussed?

It seems to me a little strange that

I hear everyone talking on the floor of the Senate that the President insists that he has to have this bill, that the President insists these amendments not be put onto the bill, but I want to call attention to the fact that when the President submitted his recommendation for a trade bill, he included in it these very same proposals.

Now, how can we say on one hand the President was right in his idea of germaneness and say on the other hand that the Senate now says no, it is not germane?

Mr. President, the administration's proposal would eliminate tax deferral in cases where:

First. Corporations are making new or additional investments in countries that grant tax holidays or other tax inducements to private industry.

or:

Second. Where corporations are making new or additional investments in manufacturing for U.S. markets—test is 25 percent of gross receipts—in countries subjecting those corporations to effective tax rates significantly lower than the U.S. corporate income tax rate.

In other words, the President has said that these tax proposals are germane to the trade legislation, but the Senate says they are not. The Senate says that the President says now that he does not want the tax proposals.

Now the Senate says that we will cut them out because they will effectively destroy the trade bill.

Mr. RIBICOFF. I think we have a very practical problem and that is that once you open the door of the trade bill to the Senator's proposal, it will have many other amendments that are nongermane, which means the effective killing of the trade bill without having achieved what the Senator from Indiana desires, tax reform in many instances, and I do believe—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARTKE. Mr. President, is the time being divided here?

The PRESIDING OFFICER. Yes; the Senator from Indiana has control.

Mr. HARTKE. I know there is sufficient time. I would be glad to do it, but there is a very limited time going into this matter.

I do want to talk about some other matters and I would hope the time of the person addressing the Senator from Indiana would be deducted from the other side. Otherwise, I will feel compelled not to yield.

The PRESIDING OFFICER. To both sides.

Mr. HARTKE. Mr. President, I yield myself another 5 minutes.

Let me point out, some people are talking about the fact that the President says, "I need this trade bill to create more jobs."

Now, if anyone reads title II of the bill, he will see immediately that there is a recognition that there is going to be a decrease of at least 100,000 jobs by the Finance Committee's own report.

Everyone really believes that is low. There is $335 million which is allocated to go ahead and pay for the number of people who are going to be unemployed.

Let me point out that the bill very specifically says that that $335 million additional payment to those people who are thrown out of work because of this trade bill, that that $335 million is up and above any amounts paid to any employee who is thrown out of work, who receives unemployment compensation from his State, this is an additional adjustment assistance, an additional unemployment compensation.

In addition to that, it is recognized it is going to put businesses out of work. The sum of $25 million which everyone recognizes is insignificant in the totality of the amount of money. But recognized also that this is a first-step approval of the fact that no matter what we have, if there is a finding that a business has been put out of existence as a result of trade negotiations, then the U.S. Government has to pick up the tab. There is an additional $100 million set aside in guaranteed loans which everyone feels is too small, that it properly should be in the neighborhood of $500 million in the first year alone.

Another item, the Canadian free trade zone. One has to remember, from the report, under Canadian free trade zone, which is in the bill by virtue of an amendment by the Senator from Indiana, I am in favor of creating a free trade zone with Canada, but the fact of it is that even in this report it is recognized that the Canadian automobile agreement, which is another amendment I have at the desk, is not reciprocal free trade at the moment. This is an agreement by the Finance Committee, not by the Senator from Indiana. I have been opposed to that agreement since its very inception when it was put into effect at the ranch when President Johnson hoped he could get Canada to come into the Vietnam war by giving away part of our automobile business.

But when Chrysler closed down all their plants except one in St. Louis, they increased their production in the Chrysler plants in Canada, which were there by virtue of the automobile agreement.

That should be debated. It is certainly an item which could have a long debate.

Title 4, the Jackson-Ribicoff-Javits compromise. I just daresay there is not a Member of the Senate who understands exactly what this does.

I am willing to say very simply that it does nothing.

It is a propaganda vehicle. All it says, we hope and pray. The President has already said he wants to go ahead and trade with Russia, and I am not saying anything against that, by this speech I made March 7, 1974. To see that item delayed by this bill, which is the truth, is also an item which should be really understood by those people, because when I asked Secretary Kissinger in the exchange of letters between Senator JACKSON and himself, when he said it is understood that the telephone, telegraph, and letters will be free to move, I said, who is that understood with, and Secretary Kissinger said, "It is not understood with me, you better ask Senator JACKSON."

That is the type of understanding that is in this exchange of letters.

All I am saying—I am not arguing the merits of the situation—I am just laying out the fact that there are items on this bill which need be discussed.

Now, everyone says all of a sudden we have to have a trade bill; it is urgent we have it before Christmas 1974; it is urgent it be done in this Congress.

We have not had trade legislation since June 1, 1967. No great urgency was explored by President Johnson, President Nixon, or President Ford. All of a sudden we come down at the last of this time and see the propaganda machine, the multinationals, cranking out, "Go ahead, give us this trade bill, but do not make us pay the bill or our fair share of taxes."

At the OECD meetings with Senator FANNIN of Arizona, who is here on the floor——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARTKE. I yield myself 5 minutes more.

We were there. Negotiations were going on with Mr. Eberle, the trade negotiator, the ambassador for trade in the United States, we were discussing the issues and there was no prohibition on doing what needs be done.

The problem is that the Constitution of the United States of America gives plenary power to regulate commerce and foreign trade to the U.S. Congress and not to the President. As in this report again, this is the greatest delegation of constitutional authority ever given the President of the United States, yet we set only 1 hour of debate on the greatest delegation of authority to the President, when everyone says that Congress should reinstitute its congressional authority, we move immediately under the pressure of the gun, under pressure of a cloture petition.

Now, I am not saying these people are insincere. I think they are misinformed.

It is recognized by the President that oil is one of the big problems we have, yet I would like to go ahead and eliminate foreign depletion on oil, which is a dead giveaway. Why should we provide money to foreign corporations when even during the middle of the oil crisis Aramco, which is Saudi Arabia, and the multinational oil corporations of the United States, joined in the embargo in oil against the United States, even to the extent they would not even provide fuel for the 6th Fleet in the Mediterranean Sea.

That is what we are dealing with here.

Now, the report again goes back to the fact that they admit that manufacturing employment in the United States has declined relatively since the 1962 Trade Act went into effect.

What we are really saying here, in effect, what we are trying to get over is that this should not be the subject of mild debate. I am not asking people to agree with me. I am asking them at least

to give this country an opportunity to have a fair discussion and not be taken down this roller coaster with the big advertising agencies and everyone else going ahead and trying to steamroller the United States into action simply on the basis of the fact that it is time for Christmas, we have to go home, and the President is going to be upset.

As I have repeatedly said, in the New Yorker magazine of December 2 and December 9, there are two articles by Richard Barnet and Ronald Muller. They deal very effectively—and unfortunately, for the proponents of this trade bill—very disastrously with the trade policy of the United States.

What is their real, final conclusion in these rather lengthy detailed decisions? They say, very simply, that the heart of the problem is excessive power, and a self-improved limitation on power is not characteristic of human institutions.

What are they talking about? They are talking simply about the fact that, as far as these big corporations are concerned, they no longer are within the confines of the control of the U.S. Government or any other government in the world. The fact is that since 1959—I am reading now from the New Yorker magazine, which points out that since 1959, the year that marked the big push toward the globalization of U.S. business, the U.S. unemployment rate has been running 2½ times that of its trading partners.

What are we really talking about here on employment? We are talking about the Hartke-Burke bill, which I have said is the forerunner of any trade bill ever put out, introduced in the last Congress, introduced in this Congress. What does the New Yorker magazine have to say about this so-called concept of free trade which is being shown throughout the world as something which is holy writ? Here is something from the New Yorker magazine:

> Corporate opponents of the Hartke-Burke bill like to emphasize the mandatory quota it would impose on imports, and say the measure would turn the clock back to before 1934, when the United States first embarked on a program of progressive liberalization in trade—

And here is the crowning statement:

> In the intervening years, free trade has become part of the holy writ of the American consensus, and thus the corporations, in their crusade for understanding, have little difficulty in portraying Meany as an antediluvian standing in the path of progress. (The fact that the U.A.W. also attacks the measure as protectionist helps their case.) But at the heart of the bill are tax provisions, and these are harder to attack with lofty arguments about how free-trading corporations stop depressions and wars.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARTKE. I yield myself an additional 5 minutes.

At the heart of the bill are the tax provisions, which this cloture motion absolutely determines are not germane.

> The A.F.L.-C.I.O. estimates that the tax incentives provided for United States corporations operating overseas amount to a three-billion-dollar subsidy. U.S. Oil Week notes that eighteen major oil companies paid a combined tax of six hundred and eighty-three million dollars on combined income of ten billion two hundred million dollars—an effective tax rate of six and seven-tenths percent.

The most lowly paid individual in the United States of America pays 14 percent tax.

All I am saying to this Congress is that at least we ought to have an hour to debate that issue. If they want to turn down the trade bill, they may do so. I do not come here without having had a discussion on the issue. I come here simply to debate the issue, not to have all of these items thrown into the wastebasket.

The article goes on to say:

> The Hartke-Burke bill would substantially reduce the tax credit by treating the taxes paid to a foreign government as a deduction against taxable income rather than as a deduction against taxes, and would eliminate the tax-deferral provisions of present law, bringing the tax burden of corporations operating abroad more in line with that of citizens, corporate and otherwise, who elect to stay at home.

So this is a giveaway bill. We are going to give away more jobs, more taxes, and do it under the guise of cloture debate, so that the American people will not have a chance to know who is doing what.

Further from the New Yorker:

> For the corporations, it would be a very expensive reform, but one hard to oppose effectively in a country so concerned with high and unequal taxes that the term "taxpayer revolt" is becoming a political cliche. Another provision of the Hartke-Burke bill is a grant of Presidential power to prohibit the export of capital and technology, presumably to prevent American corporations from setting up China or Brazil as an arch-competitor in the next generation, as they helped to set Japan up in the last. The U.A.W. also wants a licensing requirement for capital and technology exports. In June of 1974, the U.A.W. constitutional convention passed a resolution that said:
>
> Licenses should be issued only when the investment can be shown to be in the interests of the people of the United States and should require corporations to conform to a code of good behavior in relation to the foreign workers whom they employ. Full protection against loss of wages or fringe benefits should be guaranteed to any American workers whose jobs or incomes might be adversely affected by foreign investment.

Now, as we move through this debate, it becomes quite obvious that there are a lot of things which are going to go untouched and that the biggest tax loophole in the United States is going to continue. Just yesterday, the House of Representatives killed the tax reform bill. I do not know many Senators on this floor who are going to vote for cloture are the same people who will be making the most outstanding, the most self-righteous speeches on how they want tax reform.

I should be willing to limit debate on the tax measures. I am not arguing on that, if they want to limit the debate on that. But to say that we are going to declare that they are not even going to be debated is a matter which I find is going to be contradictory in the minds of some of these people. It reminds me of the horse riding off in both directions at the same time.

As the New Yorker points out, the trade bill is vitally concerned with employment. The President said so and, in the New Yorker magazine, on page 122, it says:

> The whole subject of the employment impact of global corporations—whether they increase or reduce employment possibilities for American workers—is a matter of intense political debate.

Here again, I think the article itself concludes that there is not any question that the multinational corporations are not contributing to employment in the United States. That is the conclusion of the writers of this article, and I do not think that they are on the payrolls of any of the multinational corporations. It is a very outstanding piece of work.

Then they talk about the battle of the studies. That is, the studies which have been made upon the question of the impact on employment by these multinational corporations. This is the very heart of every discussion on the trade bill. Yet those are not going to be discussed in this debate, simply because a cloture petition is being filed.

The first big wave of foreign investment from 1958 to 1967—let me point out, that was during the period in which the last Trade Expansion Act was in effect. I went down that road. I was a cosponsor of that measure. Contrary to public opinion, the Kennedy round was merely a propaganda victory, and there was no substantial progress made at that time. According to the New Yorker magazine:

> The first big wave of foreign investment, from 1958 to 1967, established American-owned corporate subsidiaries abroad to export products back to the United States; it affected such industries as shoes, textiles, electronics assembly, and leather. Factories in this country began to close down.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARTKE. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 9 additional minutes.

Mr. HARTKE. Mr. President, I reserve the remainder of my time.

Mr. LONG. Mr. President, as I stated previously, the purpose of asking for cloture on this measure is really not to limit debate, although that may be necessary if this bill is to be passed. We would be willing, if cloture is voted, to support a unanimous-consent request to give additional time to any Senator having a legitimate need to discuss a germane amendment, provided that those opposed to it would have additional time to respond to it, as is usually the case in unanimous-consent agreements. There is no problem there in finding enough time to discuss germane amendments. The problem is that if the Senate is to debate and vote on nongermane amendments, there is no possibility that this bill can become law.

Some of those representing the great labor organizations of this Nation have been making the argument to Senators that they should vote against cloture on this bill because the Senate might stultify itself by overruling its own Parliamentarian, doing violence to its traditions

and its precedents, and proceeding to rule that some amendment—which, under all precedents, and which on the advice of the Parliamentarian, would not be germane—would nevertheless be germane, and thus add amendments for the deregulation of natural gas, and a great number of other nongermane amendments, to this bill.

Mr. President, I assure the Senate that this Senator will never be a party to doing anything of that sort. So far as this Senator is concerned, he would be willing to abide by the decision of the Parliamentarian any time cloture is voted on a bill and to stay within the precedents, which provide a very severe germaneness rule. I urge every other Senator to do the same.

If anybody has any doubt about it, I would be happy to relieve the minds of my colleague by signing a statement assurring them that we expect to abide by the precedents of the Senate and the advice of the Parliamentarian on matters of germaneness.

I think we should spell out what some of these amendments are, to show some that are not germane and some that are.

We have amendment No. 1999, by Mr. HART, the oil company divestiture amendment. It may be a good amendment. I sponsored one like it during this Congress. But it is not germane to this bill.

Amendment No. 2000, by Mr. JACKSON, Mr. RIBICOFF, and Mr. JAVITS, with respect to freedom of immigration, would amend a provision already in the bill, and in my judgment it is germane. I believe consent has already been given that it will be regarded as germane, in any event. That is one on which we will vote.

Amendment No. 2007, by Mr. MOSS, provides for no-fault insurance and a Consumer Protection Agency. It is not germane. I think the Senate would stultify itself and do great injustice to its precedents if Senators try to overrule the Chair by saying that the amendment is germane.

Amendment No. 2008, by Mr. MOSS, the Natural Gas Act amendment. Mr. BUCKLEY planned also to offer a natural gas amendment. I discussed this matter with Mr. BUCKLEY, and he fully agrees and understands that if cloture is voted on this bill, a natural gas amendment will not be germane to it. I think Mr. MOSS would also agree that a vote to invoke rule XXII would mean that amendment No. 2008 would not be in order.

Amendment No. 2009, by Mr. MOSS, a deduction for energy-conserving improvements of taxpayers' residences, is not germane to the bill. Perhaps it is a very good amendment, but it is not germane.

Amendment No. 2010, by Mr. STEVENSON, oil price controls and Natural-Gas Act amendments. This may be a good amendment, but it is not germane to the bill. It would not be in order if cloture is voted. Senators who vote for cloture should feel satisfied in their minds that the amendment would not be in order. These amendments should not be added to this bill, and that is why we seek cloture.

Amendment No. 2012, by Mr. DOMENICI, prohibits Government credits to countries not supplying agricultural production information. This appears to amend a provision in the bill involving extension of most-favored-nation treatment and apparently would be germane, although I would be happy to abide by the advice of the Parliamentarian.

Amendment 2014, by Mr. HARTKE, to repeal the Canadian auto agreement. That may be a close point, and I would be willing to abide by the Parliamentarian's advice; but I am inclined to think that the amendment probably is germane to the bill, because the bill does relate to trade agreements and to negotiating trade agreements with Canada. I would be willing to abide by the Parliamentarian's advice on that.

Amendment No. 2015, by Mr. HARTKE, foreign source oil and gas and percentage depletion. I believe this is the amendment he would like to offer as soon as he can. I think it is probably a good amendment, but it is not germane to the bill. There is nothing in this bill that reduces or increases percentage depletion on oil, and nothing in the bill amends the Internal Revenue Code insofar as foreign source income is concerned. So the amendment would not be germane.

Amendment No. 2016, by Mr. HARTKE, refers to the United States-Canada trade agreement. I am not sufficiently familiar with that part of the amendment, and I do not know whether it would be germane. But amendment 2016 includes the provisions of amendment 2015 which relate to foreign source oil income, and that part of the amendment would not be germane to the bill.

Amendment No. 2017, by Mr. HARTKE, taxation of foreign oil-related income, would not be germane.

Amendment No. 2018, by Mr. HARTKE, is the same as above, and therefore would not be germane. Amendment No. 2019 is the same as amendment No. 2014.

Amendment No. 2022, by Mr. HELMS and Mr. THURMOND, freedom to visit and emigrate to join a close relative in the United States, is germane to a matter that is already in the bill and could be voted on.

Amendment 2026, by Mr. HARRY F. BYRD, JR., limitation on all Government credits to Russia. The Senator has two amendments along that line. One is clearly germane, and as to the other there might be some doubt. They both seek to achieve the same purpose, and I think the Senator would be satisfied if one were withdrawn.

Amendment 2028, by Mr. CHURCH, employee impact statement in connection with trade agreements. We believe that would be germane.

Amendment 2029, by Mr. CHURCH, information on international operations of multinational corporations. I have some doubts about that. I would like the Parliamentarian's advice on it.

Amendment 2032, by Mr. HASKELL, Mr. CHURCH, and Mr. HARTKE, taxation of foreign oil and gas income, would not be germane, and I have so explained to Mr. HASKELL.

Amendment 2033, by Mr. CHURCH, Mr. HARTKE, and Mr. HASKELL, current U.S. taxation of earnings of controlled foreign corporations; elimination of Western Hemisphere trade corporations; termination of DISC; and termination of preferential treatment of dividends of less developed country corporations. All those are amendments to the Internal Revenue Code, and they would not be germane.

Amendment No. 2036, by Mr. SCHWEIKER, private sector representation at negotiations, would be germane.

Amendment No. 2037, by Mr. SCHWEIKER, homogeneous nontariff barrier trade agreements, is germane.

Amendment 2038, by Mr. SCHWEIKER, prior notification of trade agreements affecting U.S. consumer, employee, and environmental standards, would be germane.

Amendment 2040, by Mr. HARTKE, trade agreements affecting consumer, health, labor, taxation, and other interests, would be germane.

Amendment 2041, tariff schedule items 806.30 and 807.00, we believe to be germane.

Amendment 2042, by Mr. HARTKE, general quotas on imports, we think is germane.

Amendment 2044, by Mr. PASTORE and Mr. HUMPHREY, exclusion of certain product categories from preferences under title V, would be germane.

Amendment 2045, by Mr. ROBERT C. BYRD, application for relocation allowances, would be germane.

Amendment 2046, Mr. ROBERT C. BYRD, application for job search allowances, would be germane.

Amendment 2047, by Mr. LONG, would be germane.

Amendment 2048, by Mr. LONG, compensation of special trade representative and deputy special trade representatives, would be germane.

Amendment 2049, by Mr. LONG, Mr. HARRY F. BYRD, JR., and Mr. ROTH, review and control of East-West trade, would be germane.

Amendment 2050, by Mr. LONG, community adjustment assistance loan guarantees, would be germane.

Amendment 2051, by Mr. LONG, review by American manufacturers of negative countervailing duty and antidumping determinations, would be germane.

Amendment 2052, by Mr. MONDALE, exceptions to Communist country exclusion from the generalized system of preferences, would be germane.

Amendment 2053, by Mr. MCINTYRE, exception to tariff-reducing authority, would be germane.

Amendment 2054, by Mr. HATHAWAY, Mr. KENNEDY, and Mr. MCINTYRE, repeal of discretion to waive countervailing duties during negotiations, would be germane.

Amendment 2055, by Mr. HATHAWAY, Mr. MCINTYRE, and Mr. SYMINGTON, countervailing duty petitions filed prior to December 1, 1974, would be germane.

Amendment 2056, by Mr. SCHWEIKER, repeal of generalized preferences for less-

developed countries, we believe would be germane.

Amendment 2058, by Mr. COTTON, exclusion of import-sensitive textile and footwear products from preferences under title V, would be germane.

Amendment 2060, by Mr. DOLE, making sector negotiation objective consistent with overall negotiating objective, would be germane.

Mr. President, if cloture is voted on this bill, we believe it offers us the opportunity and a good chance, on behalf of all these sponsors, to enact the amendments we consider germane.

We think that if cloture is not voted on the bill, none of these amendments have any chance at all, the bill will not become law, and none of the amendments will become law. I believe that the overwhelming majority of Senators feel that we should pass a trade bill; I know the Finance Committee by unanimous vote thought so. But we will not be able to do it unless we can limit ourselves to germaneness, because otherwise, in debate over matters like the Consumer Protection Agency, no-fault insurance, oil and gas pricing, percentage depletion, deregulation of natural gas—so far the Genocide Treaty has not been brought in here, but I am sure it will if this bill is thrown open to practically all amendments; and I have no doubt, Mr. President, that there will be an antiabortion amendment offered on this measure, too, before we are through, if we are not able to limit ourselves to a rule of germaneness.

The Senate has the opportunity to pass this bill. It can vote for a measure on which this body has labored this year, and the House of Representatives worked on last year. The Senate Finance Committee put in 9 months of hard work on this bill. The Senate, by trying to make this measure into a Christmas tree bill, will not only be performing an exercise in futility, but I believe will bring upon itself much criticism and a considerable degree of scorn.

The President has made many recommendations that have not passed either House, or been cleared by both Houses.

We have had long struggles on tax reform proposals which have been offered to debt limit bills, and various and sundry proposals offered to other measures during this Congress, which have failed to achieve their purpose, because there is very substantial opposition to them. To try to add all of that on, in these closing days of Congress, means the whole thing will go down the drain.

So, Mr. President, I hope very much that the Senate will be allowed to legislate on this item, and to bring it to a vote.

While it is true that there has not been a great deal of debate on this matter, the trade bill has been the pending business of the Senate since December 5. So this has been the pending business, and anyone who wanted to could come in and make himself a speech on the trade bill for the last week or so. I admit that with the pressure of other business he might have had to make his speech early in the morning or late in the afternoon, but at any rate the bill and committee report have been available to be read by all Senators and the public and the press of this Nation, to weigh and to consider, along with the other information available to us. So Senators have not been denied an opportunity to be heard. They could have made all the speeches they wanted to up to now, and they will have additional opportunities, if we are to pass the bill at all.

Otherwise, if we are not able to get cloture on this bill, it will not make any difference what Senators say in their speeches, so that even the 1 hour they will have available to them would be a waste of time, because the bill will not pass.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GRAVEL). The Senator from Louisiana has the floor.

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Louisiana has 6 minutes remaining.

Mr. LONG. I yield 5 minutes to the Senator from Minnesota, and then 1 minute to the Senator from New York.

Mr. MONDALE. Mr. President, the Committee on Finance, under the able leadership of the distinguished Senator from Louisiana has labored for several months on the development of the trade bill which is now pending. Many of us participated day after day for hours, seeking to respond to the legitimate needs and concerns of Americans from all walks of life. We drew heavily on the work of the House of Representatives, which had earlier passed this bill.

I think it is a good bill. It is not necessarily a perfect bill, but it is one which would permit this Nation to commence, at long last, its role of leadership in what we hope will be the soon-to-commence multilateral trade negotiations.

Everyone here knows that the Western industrialized economies are in disarray. Inflation, unemployment, spiraling energy costs, and the rest, have sent a shock wave through Western civilized society, to the point that these economies and these societies are threatened in terms of their very survival.

There is much that we should do. One of the essential steps that this country must take is a leadership role in trying to develop rational, civilized, intelligent ground rules for the conduct of trade, for the imposition of tariffs, for the application or the nonapplication of nontariff barriers, and all of these issues are enormously complex and will take a good deal of time. It is essential that those talks begin, that the participants engage in this long-needed dialog, and that we reach toward a new agreement that will permit the kind of trade and commercial relationships essential for our own economy, for our workers and employees, for our businesses, for our financial institutions, and for agriculture, and the rest.

We think this measure is a good beginning, and we now are at the moment of truth. We have just a few days remaining in this session. If we are unable to adopt this measure, it means that we may well have to begin all over again in the next Congress.

Mr. President, I rise in support of the pending bill and of the motion for cloture. I hope that it will be promptly approved.

There should be no lengthy debate on the Trade Reform Act. The principal issue before the Senate is too clearly drawn. It is drawn not along narrow partisan lines, nor along the lines that divide one interest group from another. For the overriding question we must decide is whether the United States will continue to exercise the leadership required of a great nation as we enter the final quarter of this century.

America has played a unique role in world affairs during the postwar era. We have exercised our substantial influence not simply to gain short-term advantage, but rather to enhance the long-range prosperity of our country and that of our allies abroad. We have not been blind to our own interests. But we have recognized that our own economic security depends upon an open, healthy, and stable world economy. It is this understanding that prompted U.S. initiative to build more effective international economic institutions in the GATT and the International Monetary Fund.

Since 1970 our economy and those of our partners in the world trading system have entered a period of turbulence unknown since the 1930's. Unprecedented rates of inflation, mounting worldwide unemployment, and the massive payments deficits afflicting oil consuming countries have placed enormous strains on the GATT member nations.

In the face of this deepening turmoil, there is a growing temptation for nations to turn inward, to seek solutions to problems of inflation, unemployment, and payments deficits by erecting new barriers to trade. This tendency is perhaps best reflected in the problems with our trade relations with Canada. Recent actions by both the Canadian and U.S. Governments, concerning imports of beef and exports of petroleum, raise the possibility of a serious trade war.

Protectionism is no solution to the economic problems we face. A highly industrialized country like the United States would suffer greatly if the doors to international commerce were closed. Export markets provide jobs for more than 3 million people and over 7.7 percent of the U.S. workforce engaged in manufacturing. We are dependent upon imports for many raw materials, like manganese, tin, zinc, tungsten, aluminum, nickel, and chromium, that are critical to the production of steel and other industrial products required by our domestic economy.

Policies predicated upon a beggar thy neighbor attitude also inevitably lead to political confrontations that might irreparably damage the possibility for cooperation on the critical issue of oil.

Our ability to bring pressure upon the oil cartel to modify policies that are not just painful, but ruinous to the world economic system, depends directly upon our ability to enlist the cooperation of other oil consuming countries.

And it is clear that we will never convince our allies of our own commitment

to cooperation unless we take the first step of passing a trade bill.

At this critical moment, all eyes are on the United States. Our rejection of enabling legislation to permit collective trade talks would inevitably be interpreted as a signal that we have forsaken the path of international cooperation. Such action would give ammunition to those in other countries who advocate economic nationalism, and it would surely give hope to OPEC that years may elapse before the United States and Europe will be able to formulate a common response to the most difficult of all trade problems—the oil crisis.

In the face of the overwhelming necessity for world economic cooperation, only the most compelling arguments ought to detain the Senate from the task of passing the trade bill.

At one point the issue of emigration from the Soviet Union and other Communist countries raised just such an argument. However, as a result of the agreement reached in Washington last October, the need for passage of the trade bill with the Jackson amendment and waiver becomes even more critical.

In a recent visit to the Soviet Union, I discussed this issue extensively with the Soviet leaders and with the Soviet Jews who have been hoping to emigrate, many of them for many years. It was abundantly clear, particularly from the standpoint of the Jewish leaders, that passage of this trade bill is regarded with hope as a means to help realize their hopes of emigration.

When the Jackson amendment is raised, I should like to discuss at greater length the details of the agreement in relation to specific cases of individuals who are hoping to emigrate. At this time I should like to add only that I was quite pleased and satisfied by the breakthrough on this important issue of human rights; and I think we must now assure that the agreement is implemented by passing the trade bill.

Various individuals have suggested that for domestic economic reasons the trade bill should not be approved by the Congress.

Let us look at the impact of the trade bill on our domestic economy. Many serious questions have been raised about the impact of expanded trade on working men and women. In its consideration of the Trade Reform Act, the Finance Committee carefully weighed the impact of this legislation on jobs, particularly in the manufacturing sector of our economy. The committee was especially concerned about the declining share of our workforce engaged in manufacturing.

Nonetheless, despite increased imports since 1960, employment in manufacturing has increased on an absolute basis from 16.8 million jobs to roughly 20 million jobs through the first half of 1973. Statistics suggest that to a large extent increased productivity among production workers compared with service-oriented employment, rather than imports, have been responsible for the changing composition of our workforce.

Although fears have been voiced that the Trade Reform Act might pose a threat to jobs, the evidence shows that the opposite is true—that increased trade will result in more jobs and better and more highly paid jobs. Liberalization of trade barriers could permit us to take advantage of the competitive advantage which we enjoy in telecommunications, computer technology, aeronautics, petrochemicals, and similar industries which are both labor intensive and highly skilled.

In 1974 alone, rising U.S. trade surpluses in products such as nonelectrical machinery, aircraft, computers and basic chemicals have contributed more than $16 billion to our balance of trade account—$5 billion more than in 1973—creating jobs for American workers and helping to strengthen the value of the dollar. Even in many areas where the United States has suffered from declining trade balances in recent years, including textiles, clothing, footwear, consumer electronics, and steel products, performance in 1974 improved over that of 1973.

Unfortunately, at the time that the Trade Reform Act was first proposed, the United States was experiencing disastrous trade deficits as a result of overvaluation of the dollar in relation to foreign currencies. Thus, from an average rate of growth in imports of 7.3 percent in 1960–65, the United States absorbed a 13.3-percent increase in imports between 1965 and 1970. By 1972, imports had soared to an incredible 21.9-percent rate of growth.

Two devaluations of the dollar have helped to alleviate this problem. Our trade balance has improved significantly despite a disastrous $18 billion increase in the cost of imported oil. In fact, on a CIF basis, in 1974 the United States is now running a $3.4 billion surplus in trade in manufactured products. We are running an $11.5 billion surplus in agricultural products.

To be certain there are many serious trade problems that must be corrected if the United States is to enjoy the full benefits of a more open trading system. Other countries have used a variety of devices including variable levies, export subsidies, import equalization fees, border taxes, cartels, discriminatory government procurement practices, import quotas, and other methods to shelter their own economies while seeking greater access to U.S. markets. These practices have in many cases sharply limited the competitive opportunities of U.S. business abroad. But our failure to pass trade legislation would not eliminate discriminatory treatment of U.S. goods in overseas markets. On the contrary it would in all probability lead to greater inequities as other nations follow our example by turning inward.

No major sector of our economy—certainly not workers—would benefit by Senate action to close off the avenue of negotiation for settlement of our trade difficulties.

What of consumers? In a December 8 editorial, the Washington Post properly noted that the Trade Reform Act is the most important consumer bill of the year. To the consumer trade offers a means to increase the variety and to lower the cost of items he buys. Increased competition can stimulate domestic industries to lower selling prices or to adjust output to meet changing consumer needs and preferences.

American businesses benefit from liberalized trade by gaining greater access to overseas markets and to supplies of raw materials and semimanufactures required for domestic production processes. In 1974 exports added $96 billion to our gross national product, up from $38 billion just 5 years ago. In the State of Minnesota alone, more than 800 companies are actively engaged in international trade, adding $1 billion to the State's income from manufacturing and creating 12,000 jobs that are totally dependent upon exports.

Finally, trade is essential to the livelihood of the American farmer. According to the Bureau of Labor Statistics, trade accounted for 12.6 percent of total private employment in agriculture in 1972. U.S. exports of agricultural products this year are running at an annual rate of $21.9 billion, compared with $17.7 billion in 1973 and $9.4 billion in 1972. The State of Minnesota, which is one of the leading agricultural exporters in the United States, earned $1.2 billion as a result of agricultural export sales in fiscal 1974.

Turning to provisions of the bill itself, the pending measure—like its counterpart in the House—provides the authority for the U.S. negotiators to seek agreements which would lower tariff and nontariff barriers to trade. But as a result of several amendments which I offered in the Finance Committee, the Senate bill would go beyond the House version to address the critical issue of assuring not simply access to markets, but also access to supplies of raw materials required by the United States.

Over the past 2 years we have seen an alarming trend toward the formation and use of producer cartels to artificially increase the price of raw materials. The dangers in this movement are readily seen in the economic chaos generated by OPEC. Last December I warned that the example set by the Arab States could easily be followed by monopoly producers of other vital raw materials. Since then, we have seen disturbing evidence of this prediction's coming true.

Bauxite producers have combined to create the International Bauxite Association, setting the stage for Jamaica to press for a 600-percent increase in its earnings.

Through the International Council of Copper Exporting Countries, copper exporters are now pressing for greater control of the market.

Phosphate producers have achieved a threefold increase in prices, and members of the International Tin Agreement are seeking a 50-percent increase in the floor price for tin.

Coffee producers are starting to dominate markets, and other commodity producers may soon join the stampede toward cartelization.

In an era marked by spreading shortages of food and raw materials, there is a high likelihood for success of efforts to drive prices higher by limiting production of critical commodities.

And as Ambassador Eberle told the Joint Economic Committee the other day, the existing GATT articles are "virtually worthless" in attempting to deal with collusion among raw materials suppliers.

Although the GATT articles contain provisions relating to the use of export embargoes, these provisions are riddled with loopholes and have not been enforced. In fact, the major thrust of the GATT has been toward import restrictions; and until now little attention has been paid to the critical issue of supply access.

My amendments, which are incorporated in titles I and III of the Trade Reform Act, are designed to make access to supplies a negotiating objective of equal importance to access to markets. This goal is articulated in chapter I of the bill under General Negotiating Authority and also in chapter II, Reform of the GATT. Under the latter section, the President would be directed to seek to strengthen the GATT articles to include rules and precedures governing the imposition of export controls, the denial of fair and equitable access to supplies, and effective consultation procedures. In addition, the President would be directed to seek the adoption of multilateral procedures and sanctions with respect to countries that deny equitable access to supplies of raw materials, food, and manufactured products.

To increase the President's leverage in bargaining with countries that deny supplies to the United States, he would be given explicit authority under title III to retaliate against offending nations. This authority could be used unilaterally until such time as multilateral mechanisms to respond to unreasonable export embargoes are adopted by the GATT. But the ability of the United States or any other GATT member nation to bring pressure upon commodity cartels would obviously depend upon our ability to act in concert with our trading partners under mutually agreed upon rules and procedures.

In a paper entitled "Completing the GATT," released several weeks ago by the National Planning Association, C. Fred Bergsten, of the Brookings Institution, proposed a number of specific objectives that might be incorporated in the U.S. negotiating position. I would hope that our negotiators would draw upon these recommendations and others that have been offered to make the most effective possible use of the authorities granted under the supply access amendments.

In two other respects I believe the Senate bill offers a significant improvement over that adopted by the House of Representatives. The first such area is the question of addressing dislocations which occur as industries adjust to increased competition. Although the TRA places emphasis on avoiding market disruption and providing sufficient time for U.S. industries to adjust to competition, some temporary dislocation is inevitable. To deal with these problems, the Finance Committee adopted amendments, offered by Senator NELSON, to the adjustment assistance title of the act. Under these amendments, which I was privileged to cosponsor, the benefit levels for workers were liberalized to provide a maximum of 70 percent of a worker's average weekly wage up to 100 percent of the average weekly wage in manufacturing for a full 52 weeks. Workers over age 60 or those enrolled in approved training programs could receive benefits for an additional 26 weeks. In addition, the bill establishes for the first time a program of adjustment assistance for communities, including aid in the creation of Trade Impacted Area Councils, technical assistance under the Public Works and Economic Development Act, and a special program of loan guarantees to stimulate new investment in trade impacted communities.

Second, I should like to call attention to a special problem in agriculture. The United States has for many years maintained a system of import quotas on agricultural products which are covered by domestic price support systems. These quotas are not simply a trade matter, but also an integral part of domestic price support and food policies.

Over the past 2 years administration recommendations and actions have suggested the possibility of a trade off between U.S. concessions on dairy imports in exchange for European concessions on other agricultural products. Despite repeated denials, Executive actions in maintaining price supports at or even below the minimum level required by law, in invoking emergency authority to expand dairy imports above established quota levels, and in refusing until forced by threat of a court order to countervail against heavily subsidized dairy imports suggested that key elements of the proposed policy might already be gaining adoption.

As a result of these actions, the U.S. dairy industry is facing disastrous losses. As many as 5,000 dairy farmers in Minnesota have been forced out of business since the beginning of this year. Aside from the ruinous impact of administration policies upon the dairy farmer, such policies could lead to severe shortages and sharply higher prices for consumers in the months ahead.

To guard against such a possibility, Senator NELSON and I sought in committee and were given assurances that any change in the current program of quotas under section 22 pursuant to a trade agreement—whether such a change could be implemented administratively or required an amendment to current law—would be brought back to the Congress for affirmative approval under the procedures set forth in section 102 of the act. Furthermore, Senator NELSON and I were assured in a letter from Ambassador Harald B. Malmgren, dated October 2, 1974, that—

> The Special Trade Representative's Office would not recommend any changes in quotas in connection with trade policy without prior consultation with you and with representatives of the dairy industry, whatever the elements of such a settlement insofar as they affect dairy farmers.

A parallel concern of dairy farmers and many other U.S. industries is the problem of export subsidies. If subsidized imports of articles covered by domestic price support programs are permitted to enter the United States, even when traditional quotas are strictly enforced, but especially when quotas are expanded under emergency proclamation authority, not only is the American farmer subject to unfair competition, but the U.S. Government is also placed in the position of being forced to buy domestic products that are displaced by imports in order to maintain price support levels.

The dairy industry offers a case in point: During the first quarter of 1974, the United States imported 29 million pounds of cheese from the Common Market. Most of this cheese carried a subsidy approaching 32 cents per pound. As a result of unfair competition, U.S. cheese producers lost their traditional markets, the domestic price of cheese fell below support levels, and the U.S. Government was forced to buy cheese to maintain the support level.

The present law on countervailing duties is clear and mandatory. Nevertheless, because there is no effective time limit for investigations, it has only rarely been enforced. The House bill sought to correct this problem by directing that investigations be completed within 1 year from the date that the question is presented to the Secretary. Nonetheless, a loophole still remained since years of delay could take place before the question officially reached the Secretary. In addition, the House bill opened up two new loopholes by giving the administration virtually unlimited discretion over whether to countervail against products covered by quotas and over whether to countervail against any products during the 4 years of the negotiations.

To meet these objections, the Finance Committee, therefore, adopted several amendments, which Senator NELSON and I proposed, to strike the permanent discretion over whether to countervail when quantitative restrictions are in effect, to tighten the time period for investigations, and to strictly limit administration discretion during the negotiations. These amendments would require that the Secretary countervail unless two conditions are met: First, that adequate steps have been taken to reduce substantially or eliminate the adverse effect of the subsidy, and second, that there is a reasonable prospect that successful trade agreements will be reached to reduce and eliminate barriers to trade and to countervail would seriously jeapordize the satisfactory completion of the negotiations. Any decision not to countervail would be subject to veto by either House of Congress, resulting in the mandatory imposition of countervailing duties.

At the request of Senator NELSON and me, the Department of the Treasury provided an explanation of how these amendments would be applied in the case of the dairy industry. We were informed that Treasury would proceed immediately under the countervailing duty law should the EC reinstate export payments on dairy products and that any attempt to avoid or delay the imposition of countervailing duties by the mere subterfuge of substituting one incentive program for another would be treated as though these payments had been resumed. In this event a final determination on the pay-

ment of subsidies could be made within 14 days.

While these and other amendments have greatly strengthened the trade bill, there are however several weaknesses in the Senate version which I hope can be corrected in conference with the House.

I am concerned, for example, that the Senate bill requires that the President provide import relief in the form of higher tariffs, quotas or orderly marketing agreements when there is a finding of injury to U.S. firms whether or not the overall national interest of our country would be jeopardized by such action. I would hope that some discretion might be provided by the conferees.

Second, the Senate committee adopted an amendment to the countervailing duty section of the act, which would preclude any discretion whatsoever after the first 2 years of the negotiations. I would hope that this limited discretion would be extended to 4 years, provided all other major aspects of the Senate bill concerning countervailing duties and section 22 import quotas are retained in conference.

Third, I am most concerned about an amendment that was included in title IV of the trade bill concerning most favored national status for Czechoslovakia. This provision would seek to force Czechoslovakia to pay all property claims resulting from postwar nationalization of property at an unprecedented rate of 100 cents on the dollar before the CSSR would be eligible for most-favored-nation status or for the return of Czech gold confiscated by the Nazi regime during World War II. The United States has not demanded 100 percent restitution from any other Communist government; we have, in fact, signed similar claims settlements with Poland at 39 cents on the dollar and with Romania for 37 cents on the dollar. Nor have Britain or France demanded 100 percent payment from Czechoslovakia. The Czech Government has negotiated an agreement with the Department of State which would provide for a payment level of 41 percent, which compares favorably with other agreements we have negotiated and is more favorable than those signed by our allies. Advocates of the amendment have argued that it will force the Prague Government to negotiate a better agreement. Nevertheless, unless the amendment is dropped or greatly modified in conference a more likely result would be the loss of trade opportunities totaling from $300 million to $1.5 billion in the next few years.

Finally, the Finance Committee adopted several, in my opinion, regretable amendments to title V of the Trade Reform Act. Title V establishes a generalized system of preferences for developing countries. While the amount of trade expected to take place under title V is terribly modest, this program is symbolic of U.S. willingness to assist in promoting economic development and diversification in developing nations. Unfortunately, the committee decided to attach amendments which would deny preferences to many countries in Latin America and Africa.

These amendments would also preclude any Communist country from receiving preferences. This trade bill marks a step forward in our relations with the nonmarket economies. But it has the unfortunate aspect of denying generalized system of preferences for Romania and Yugoslavia, along with other Communist countries. At one point in the history of this bill, there was an exception for Romania and Yugoslavia recognizing their more independent foreign policy and, in the case of Yugoslavia, the more humane domestic structure as well. That exception is now missing from this bill.

I regard this as a serious error on our part. The Soviet Union has, for more than a generation, been seeking to enforce discipline and control over these two countries along with the rest of Eastern Europe. And we are only playing into their hands by forcing them all into the same category. I have, therefore, prepared an amendment to provide that Romania and Yugoslavia be exempted from the prohibition on GSP, which I hope to raise later on during the debate on the bill. I do not intend to take much of the Senate's time on this amendment.

The Senate trade bill is not a perfect bill. In a number of areas in addition to those I have mentioned, I believe that this measure could be improved. Nevertheless, I recognize the greater urgency of getting this measure through the Senate and into conference before the clock runs out. With only a few days remaining there is no time for delay.

The cloture motion would preclude lengthy debate on a number of amendments which have been offered relating to deregulation of natural gas and the taxation of foreign earnings of U.S. corporations. The proposal for natural gas deregulation is, in my opinion, a disastrous amendment that could take $10 billion a year from the pockets of consumers to line the pockets of the big oil companies. On the other hand, I have a great deal of sympathy with the intent of amendments to close tax loopholes that enable U.S. businesses to escape without paying their fair share of taxes and in some cases may encourage U.S. industries to relocate overseas. However, I do have serious questions about whether the amendments are technically sound and adequate to achieve the purposes for which they were introduced. And beyond these doubts, I recognize, as sponsors of the natural gas amendment must recognize, that the amendments will never survive the determined opposition they will meet in the waning days of the 93d Congress. They will only succeed in killing the trade bill.

I, for one, believe that we cannot afford to let the trade bill die. The international economic outlook is simply too grave and the need for reform of our trading system too urgent to allow shortsighted arguments or narrow self-interest to kill this essential legislation. The decision we make on the trade bill is more than a domestic economic decision although it is clear that our economy would benefit from its passage. It may prove to be the most important foreign policy decision of the 93d Congress.

Cordell Hull, the father of our trade agreements program, once warned:

If goods cannot cross borders, armies will.

While this prophecy may sound alarmist, in my judgment there can be no doubt that the political consequences of allowing our trading system to deteriorate would be harmful in the extreme to our hopes for renewed cooperation with Europe, with Japan, and with the developing world. And unquestionably, the failure to strengthen our trade relationship with the Soviet Union and other Communist countries, as envisioned in the Trade Reform Act, would both undermine progress in détente to date and threaten the prospects for the future.

Negotiation offers no instant answers to the oil crisis and to the problems of inflation and unemployment. But negotiation does offer the hope that through slow and painstaking effort, detached from the political arena, our country and other trading nations can achieve mutually acceptable solutions to the relatively minor economic problems that divide us and can build the basis for cooperation to resolve the bigger issues upon which our common fate depends.

I ask unanimous consent that Mr. Saylor of the staff of the Committee on Agriculture and Forestry be permitted to remain on the floor during the remainder of the consideration of H.R. 10710, including any and all rollcall votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I want to endorse the statements of the distinguished Finance Committee chairman, Mr. LONG, about the need to observe faithfully the rules on germaneness, should the cloture motion be adopted.

I also want to relieve him of one of his concerns as to a nongermane amendment.

Yesterday afternoon, I introduced an amendment to the standby emergency energy bill (S. 3267) that calls for the deregulation of new natural gas. As this is an appropriate vehicle for legislation that would terminate FPC jurisdiction over the wellhead price of gas that is not currently committed to interstate pipelines—there being no single action better designed to forestall an energy emergency—I have advised the leadership that I will not call up my gas deregulation amendment to the trade bill, and that I will vote for cloture.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. HARTKE. Mr. President, we are not talking about whether this is a good bill or a bad bill. The Senator from Minnesota, if he cares to listen, would be reminded of something he said on television when he was still a candidate for President, when he appeared on Issues and Answers. They asked him what they were going to do about Federal tax problems, and the answer of the Senator was that we should tax the multinational oil companies.

Mr. MONDALE. Will the Senator yield?

Mr. HARTKE. I wondered whether he surrendered that position or a discussion of that issue at this time.

Mr. MONDALE. Will the Senator yield?

Mr. HARTKE. I yield 30 seconds. I only have 8 minutes.

Mr. MONDALE. I agree completely, as I said just a moment ago. The multinational oil companies, with the use of the foreign tax credit, and what Douglas used to call the golden gimick, because virtually untaxed from the standpoint of the Federal income tax. I want to see that changed.

What I have said is in the light of the crucial nature of this bill, I do not think we should bring it up right now. I think we should bring it up early next year when an essential tax bill must be raised.

Mr. HARTKE. I just want to remind the Senator of what he said. He said only relevant amendments. That is the issue here. I am not bringing irrelevant amendments up in this bill. The question really is the question of a technical determination of germaneness. Even the President of the United States, when he put this bill in, said to us very simply that he wanted these tax measures considered as part of the trade bill. The fact of it is that the Senator from Minnesota says this was enormously complex, long needed, and he, himself, has put in extended remarks. What is happening here is very simple. There will be a limitation of this debate, very simply put, into 1 hour for each Senator. That is 100 hours. This bill has been under consideration for 2 years, under consideration for 17,520 hours. They have been considering this bill for that long. But now each Senator is limited to 1 hour to discuss a bill that has gone that far.

The Senator from Louisiana, the chairman of the Finance Committee, took 15 minutes of his time on debate to read the list of 42 amendments which are pending. If you take the time which a Senator has and devoted it to all those 42 amendments, a Senator would have about 1 minute and 15 seconds to discuss every amendment. This is preposterous, absolutely irresponsible.

Yesterday I tried to discuss this issue. The Senator from Louisiana said that we could have debated the issue. But you could not offer an amendment, because there was a technical amendment at the desk presented by the Senator from Louisiana, perfectly within his rights, but perfectly within the realm of preventing any type of meaningful action taking place in the Chamber of the Senate.

This bill has 293 pages in it. The report has 311 pages. There are seven volumes of the hearings on this measure, which are almost a foot and a half high.

There is the question involved in the Jackson amendment alone, which I favor, by the way. I am not opposed to it. They say that immigration is germane, but taxation of a foreign corporation is not germane.

Well, I agree that deregulation of natural gas is not relevant, but I want to point out that no amendment that I have placed on the desk, or most of those others——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARTKE. I yield myself an additional 2 minutes.

Most of the amendments at the desk are relevant. This is not an attempt to close debate. I do not think the issue is really germaneness. I think the more vital issue for this Senate is the question where you have a cloture motion filed before the debate began on one of the most complex, controversial, important issues that this Congress has ever faced.

They say they are afraid of a Christmas tree bill. They had better be afraid of going ahead and rushing down the path of disaster. I would say to you that if debate is limited under the cloture motion, in the words of Macbeth, all the perfume of Arabia will not wash that blood from your hands.

The PRESIDING OFFICER. Who yields time?

Mr. HARTKE. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. HARTKE. Mr. President, yesterday I was going to discuss three amendments which are going to be ruled nongermane. I would hope that in the rush of the final days of this Congress, before this issue is closed, I would have the opportunity eventually to discuss these amendments. Even though they will be ruled nongermane, and on which I know there is no possibility of overruling the Chair, I still think it is important that those matters be considered.

Let me refer to former Secretary of the Treasury John Connally, when he was before the Finance Committee on hearings on this about a year and a half ago. I asked him this specific question: "Under the tax laws of the United States, is it more advantageous for a corporation to invest in the United States, in Indiana, for example, than in India?"

He said, "That all depends."

I said, "What does it depend upon?"

He said, "It depends on how you look upon it."

I said, "Let me just ask you: Everything else being equal, if you just look at the tax laws, is it more advantageous to build in Indiana or in India?"

He said to build in India.

We have in this bill, for example, another measure, the so-called Mexican situation. I believe I will have a chance to discuss this amendment on the floor. I hope they will not rule that matter nongermane.

This is a very technical question of what has happened to the industries which have been set up on the border. That amendment certainly would take longer than any 1 hour to debate. It is not in the bill. The problem is not eliminated in the bill. This runaway operation is still being continued.

No discussion has been had, and no decision has been made, concerning the fact that the labor, for example, in Hong Kong, which is being utilized by the same multinational corporation, is child labor, 12 years old, working 6 days a week, earning less than $1 a day.

I think that some of these things ought to be discussed at a time in which unemployment is skyrocketing throughout this Nation, at a time when inflation is absolutely one of the main concerns. We see here a headlong rush not to go ahead and pass a trade bill, but a headlong rush to cut off meaningful debate on a very complex issue, to cut off any opportunity for having a discussion of one of the most important matters on the agenda.

Let me point out that if this trade bill becomes law, it is the law for the next 5 years. If the history of negotiations by the administration follows the pattern of the past, it will not be the commercial, the economic, the jobs in the United States that will have first priority by those negotiators representing the administration; it will be the State Department, using the power of trade negotiations for political purposes. We have all to long seen that that results in disaster.

SUPPORT CLOTURE

Mr. DOLE. Mr. President, after having worked on the Trade Reform Act for many months in the Senate Finance Committee, it is my conviction that this legislation is tremendously beneficial to my State of Kansas and to the Nation as a whole. It is my hope that we can invoke cloture today to move this legislation forward toward passage of the bill in the 93d Congress.

KEY TO AGRICULTURE

Agricultural exports are vitally important to many people in the State of Kansas. There are an estimated 110 thousand people employed on Kansas farms, both family and hired. These workers produced over $4.4 billion worth of agricultural products for sale in 1973, fifth largest in the United States. For the year ending June 30, 1974, it is estimated that over $1 billion worth of farm goods were shipped overseas from Kansas which is about one-fourth of the State's production.

In terms of total U.S. agricultural exports, Kansas ranks fourth among the States. Moreover, Kansas is first in our most important farm export commodity—wheat. The United States traditionally exports over half of the wheat it produces, and in recent years the amount has moved closer to three-fourths. In addition, Kansas is also in the top 10 exporting States in feed grains and such animal products as tallow, lard, and hides.

We talked in the agriculture committee yesterday about the need to expand livestock exports. This legislation will facilitate that expansion.

The benefit from these farm exports to the people who produce them is direct and obvious. Between fiscal years 1971 and 1973 when total U.S. farm exports rose from $7.8 billion to $12.9 billion, Kansas moved from the sixth largest exporting State to the fourth. At the same time, total farm cash receipts rose from $2.2 billion in the State to $4.4 billion—calendar year data. More importantly, however, is the fact that average net farm income in Kansas increased from $7,585 in calendar year 1971 to $17,234 in calendar year 1973. Comparable figures for 1974 are not yet available ex-

cept for total U.S. agricultural exports which jumped another $8.4 billion to $21.3 billion in fiscal 1974.

NONFARM JOBS CREATED

Although not as evident, farm exports also benefit people working in agriculture-related industries and businesses. One out of every five jobs in private employment is related to agriculture in some way, whether in storing, transporting, processing, merchandising, or providing goods and services to the producers. Farm exports play a particularly important role in the nonfarm sector. For example, every $1 increase in exports of feed grains, wheat, rice, and oilseeds creates another 90 cents of output in areas such as transportation, financing, warehousing, and in farm supplies.

Thus, the increase in farm exports produced in Kansas from $301 million in 1971 to $1.2 billion in 1974 can be said to have increased output in other areas by another $800 million. Of the estimated 450,000 people employed in areas directly related to farm exports in the United States, 27,000 are dependent on exports from Kansas.

GOOD FOR WORKING PEOPLE

Industry in Kansas is growing. Expansion of our exports will encourage the growth of industry in Kansas. That means more jobs for working people. Kansans are hard-working people. It is my feeling that this legislation will open up more jobs for people in Kansas than we have ever had in the past and that this measure will also help reduce inflation that working people are struggling to contend with now.

In 1972, Kansas-manufactured exports reached a value of $280.9 million. At least 6,400 Kansans are employed in manufacturing for export. This is only the number of those directly involved in manufacturing and does not include the number which is normally several times greater of those involved in handling, processing, documenting and financing.

Kansas is presently ranked 28th among the States in importance of export employment in manufacturing establishments, and 29th in value of manufacturing for export.

We are growing in this area and I fully expect to see Kansas rising sharply on this list of States. We already have many enterprises involved in multimillion-dollar exports of transportation equipment, machinery, food products and chemicals. This legislation will improve that picture.

PROTECTION FOR WORKERS AND BUSINESS

A most important aspect of this legislation is the extensive provision we have made for relief from imports. We have provided for assistance to workers, farms and entire communities that may be forced to adjust to import competition. We have tightened the requirements for antidumping actions and countervailing duties.

I have heard some concern that these measures are not adequate. The Congress, of course, retains the right to change the law and improve the programs if in fact these fears are realized. Many of these safeguards have not existed in the past and the trade reform act represents a new and potentially advantageous approach to world trade.

OFFSET OIL IMPORTS

An important facet of this bill is the impact it will have on holding down inflation. The high cost of oil has been a major contributing factor to the lagging economy we have been struggling with. The expansion of exports we hope to achieve under this legislation will be very effective in helping to hold down the rate of inflation we have been experiencing. Expanded exports of manufactured products will be important in this regard but from this point of view, Kansas agricultural exports, are especially important to offsetting the increased oil bill.

In fiscal year 1974, agricultural exports reached a record level of over $21 billion. That meant a surplus in agriculture trade of about $12 billion. The cost of oil imported into this country exceeded $20 billion in the first ten months of 1974. That cost has been a major impetus to inflation in this country. Our national oil bill increased by over $12 billion this year over last and had it not been for this increase, the $21 billion in farm exports would have more than offset our oil imports by a healthy margin.

In fiscal year 1973 our agricultural trade had a surplus of $9.3 billion. That surplus exactly offset the $9.3 billion in oil imports into this country. Because farm exports offset oil imports in fiscal year 1973, we enjoyed a trade surplus of $1.7 billion overall.

Clearly we need to maintain a high level of agricultural exports in order to reduce the deficit in our balance of trade resulting from oil imports. Although we are making every effort to reduce oil imports, every estimate I have seen shows a continuing dependence on foreign oil for some time to come. The high level of farm exports this year has kept our trade deficit from becoming even greater. We must make every effort to keep our agricultural exports at a high level and that is why I am supporting this legislation today.

EMIGRATION AMENDMENT

The time it has taken to resolve differences within the Senate on this most important piece of legislation is unfortunate, but at the same time it is a testament to the fact that this country will not subordinate its concern with basic human rights to expediency.

As a cosponsor of the amendment which would deny most-favored-nation status to those countries which restrict emigration of certain peoples arbitrarily, I am, of course, pleased and gratified that an agreement has been worked out and the controversy diminished.

The success in resolving this problem has made the bill we consider here today a better bill, that will better serve our own interests, serve to ease the plight of citizens elsewhere whose fundamental freedoms have been denied, and assert, once again, in a very particular and specific way, America's traditional concern for the rights of individuals.

So, Mr. President, I feel that the trade bill is a good piece of legislation. It is tremendously important to our vital world trading position. The alternative, as Secretary Kissinger pointed out in response to my questioning at our recent hearings, would be disaster for our trade positions. I hope we can invoke cloture today and move promptly toward final passage of this bill.

Mr. FANNIN. Mr. President, I am pleased to see that the Senate of the United States finally is considering trade legislation which, if enacted, will assist materially in reforming our international economic system.

The world has changed dramatically from the one we knew in the 1950's and 1960's and it is essential that we design our international trade policies in line with current realities.

The leadership and support of the United States has been in the forefront of developing our present multilateral trade and payment system. Barriers to trade and capital movements have been reduced gradually and the world has experienced unprecedented economic growth through the 1960's.

At the beginning of this decade it became clear that our trading, payment and investment systems were not capable of meeting the increased demands placed on them by the increased flow of trade. We in the Finance Committee attempted to deal with this problem in 1970 and since that time we have been active in formulating an economic policy to meet current requirements. Recent shortages in agricultural products, petroleum and other items have underscored the needs for legislation to implement a foreign economic policy to meet the problems of this decade.

In July 1971, a report submitted to the President by the Commission on International Trade and Investment Policy stated in part:

> We face critical choices. The welfare of our people—perhaps even the prospects for world peace, stability, and development—will depend on the wisdom and the realism with which we and other countries adapt to the changed circumstances of the seventies.
>
> The next few years will determine:
>
> Whether our people can enjoy the benefits of open channels of trade and investment while coping with the real human problems of adjusting to rapid economic change;
>
> Whether the world will drift down the road of economic nationalism and regional blocs or will pursue the goal of an open world economy.
>
> Whether the European Community and Japan will accept responsibilities commensurate with their economic power;
>
> Whether we can evolve with our trading partners a sound international monetary system reconciling domestic and international economic objectives;
>
> Whether developed and developing countries can mobilize the will and resources to cope with global problems of poverty, population, employment, and environmental deterioration;
>
> Whether we can seize new opportunities for improved political and economic relations with the Communist world.
>
> To meet these challenges, the United States must develop new policies that serve our national interest—a national interest which comprehends a prosperous and congenial world.

Mr. President, these observations are even more pertinent today than they were in 1971.

The Trade Reform Act of 1974 is de-

signed to meet these challenges in four ways:

One, the bill gives authority for multinational negotiations toward the elimination and reduction of tariff and nontariff barriers to trade;

Two, we are providing authority to protect U.S. products in world markets. It is a basic tenet that for trade to be free it also must be fair;

Three, we have provided the means of assisting those workers and firms that could be injured from a surge of imports and also have protected those firms that could be injured by unfair import practices; and

Four, the bill will allow us to take advantage of new trade opportunities with all countries and institute a system of generalized tariff preferences for less developed countries.

Mr. President, the Trade Reform Act of 1974 is an excellent vehicle for accomplishing our goals in the world economy and I am hopeful that my colleagues will act in a prompt and responsible manner on this vital legislation.

Mr. MUSKIE. Mr. President, I must vote against the cloture motion on H.R. 10710, the Trade Reform Act. The act may be the most far-reaching economic and foreign policy legislation to be considered by the 93d Congress. If enacted, it would give the President broad authority to negotiate world trade agreements, to trade with Communist countries, to give preferences to imports from less developed countries, and to manage this country's balance-of-payments deficits and surpluses. This is, indeed, a broad grant of authority and if enacted, this bill would give the President this authority for 5 years.

Yet there has been virtually no debate on this legislation on the floor of the Senate. And I feel that a measure which has such broad implications not only for specific industries which face severe import competition, but for the American economy as a whole, and for American foreign policy, should have the benefit of a full and fair Senate debate.

In failing to give a measure of this significance the attention it deserves in a last-minute rush to adjournment we run a very real risk of substituting the judgment of others for our own.

Yet this cloture petition was filed before the debate had really begun.

Accordingly, I do not feel that I can support a cloture petition at this time.

Mr. President, this legislation is 293 printed pages. The report of the Finance Committee is itself more than 300 pages.

Both represent an enormous amount of hard work and persistent effort on the part of the committee, and I think Senator LONG and his committee deserve our commendation.

But not all of us have been as intimately involved in the committee process. In considering legislation of this magnitude, we need to know:

First. How this legislation will affect sectors of the American economy which suffer from vigorous—and often unfair—import competition, or from international competition for our limited supply of raw materials.

Second. What kinds of safeguards for those industries are contained in the present bill; whether these safeguards need to be modified or strengthened; and whether we need to do more to counter the human costs which would result from the changed nature of international trade contemplated by this bill.

Third. What possibilities there are for international arrangements that would place meaningful restraints on imports over the next several years.

It would be easy for us to examine the printed words in this document, heft its weight, and say, yes, this is a fine piece of legislation.

But we must remind ourselves of the costs in human terms.

For example, Mr. President, the shoe industry, which has traditionally been the largest employer in my home State of Maine, is already crippled by an increasing flood of imports, and has been unuable to obtain relief through existing laws and procedures.

Five years ago, net imports—imports less exports—of nonrubber footwear totaled 175 million pairs valued at $330 million. In 1970, net imports totaled 240 million pairs valued at $560 million. And by 1973, net imports had increased to 316 million pairs valued at close to $1 billion.

Even these statistics do not describe the costs to a family which has for generations given its labor to the local shoe shop, perhaps the town's only industry, which now faces extinction. When an industry like that dies, a town can die with it, and a family can break apart.

We must be conscious of the consequences of our action on this legislation. We must consider carefully all its costs. And we must do what we can to minimize those costs.

Yet we in the Senate are being asked today to go ahead with legislation that potentially increases the threat to many U.S. industries without our being able to consider fully whether remedial action is necessary.

I cannot support doing this. I believe this bill must be considered more fully than filing cloture today would permit. So I must vote "No."

Mr. BAYH. Mr. President, I shall vote against invoking cloture. I do so not on the merits of the various issues at the heart of the Trade Reform Act, but because of what I consider to be an alarming and growing tendency in the Senate to abuse the basic procedures upon which the formulation and enactment of meaningful legislation must rest.

These procedures revolve around the concept of full and adequate debate. The Trade Reform Act, one of the most far-reaching and economically vital pieces of legislation this Congress has considered, was the subject of a petition for cloture filed before we had completed one full day's debate on the provisions of the bill itself, let alone considered any relevant amendments.

How can the Senate be expected to responsibly vote on such a major piece of legislation when debate has been limited before it has even begun?

I expressed this same concern 1 week ago when the Senate was urged to act on the Export-Import Bank conference report without the opportunity to fully debate the significant deletions made by the conference in the Senate-passed provisions of the bill. The first cloture petition on the conference report was filed before there had been 2 hours of debate.

Fortunately the Senate in that instance concurred in my judgment of the irresponsibility of such an action, and twice voted against cloture of the Eximbank conference report.

As one who is basically opposed to the use of unlimited debate in this body to frustrate the will of the majority, I find myself today equally in opposition to the actions of the Senate which seem to represent the other extreme—to cut off debate on a piece of major legislation before the Senate can possibly be expected to examine the merits of that legislation. Last night, we reached the ultimate extension of this abuse of procedure, by contemplating the approval of a conference report on the Eximbank—a report that was the product of a private agreement—before the report had even been printed, let alone made available for study by the Members of the Senate.

In light of this growing trend toward procedural abuse, I will cast my vote against this particular cloture petition on the Trade Reform Act. I cannot support a motion which would not only precipitously cut off debate but would abrogate any unanimous-consent agreements that had been negotiated by a number of Senators on amendments to the trade bill. The subject of several of these amendments involved the crucial issue of tax reform. Amendments involving foreign tax policies—of obvious relevance to both our foreign trade policies and the impact of such policies on unemployment and other aspects of our domestic economy—cannot even be debated under the terms of this cloture petition.

Mr. President, we have yet to pass any meaningful tax reform in this Congress. Yesterday, the House defeated a major tax reform package even before it came to the floor. Today, the Senate, if it revokes cloture, will preclude even debating meaningful tax reform measures. Given the worsening state of both our domestic economy as well as our foreign trade balance, I think this is tragic.

I realize that the leadership on the trade bill felt that the deletion of any procedurally nongermane amendments, such as tax reform, was necessary in light of the lack of time which we have left in this session to consider the trade bill.

But I would point out to the Senate that the amount of time that we have to consider this legislation is not the result of delaying tactics by those in opposition to the bill, but can be attributed to a number of factors, including the length of time it took the administration to be able to negotiate the Soviet emigration question.

It concerns me greatly, Mr. President, that if cloture is invoked, we will now be asked to consider a crucially im-

portant piece of legislation, involving many complicated issues, within the next day or two, and then, sometime within the remaining 7 legislative days of this Congress, to digest and to evaluate the changes which will result in this legislation as a result of conference.

There are a number of important differences between the House and Senate versions of this legislation—the Senate provision of community adjustment assistance, the stronger import relief provisions of the Senate bill, the added restriction on the generalized tariff preference in the Senate version, and most importantly, the stronger Senate congressional oversight provisions.

But what concerns me most, Mr. President, is that we may lose a number of these strengthening provisions in conference, and rather than having adequate time to review what will surely be a lengthy conference agreement, we will be asked to give our consent based on the assumption that the conference has resulted in a compromise which reflects the best policy.

In conclusion, I would like to stress once again, that I did not make the decision to vote against cloture on the basis of the policy issues in question but because I feel the Senate can no longer continue to abuse the very procedures upon which our legislative process rests.

I believe that if the question of trade reform is as important as we have been led to believe—and I believe it is—then it merits adequate debate.

ORDER FOR AMENDMENT TO TRADE REFORM ACT OF 1974 TO BE CONSIDERED AS HAVING MET REQUIREMENTS OF RULE XXII

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all germane amendments to the trade bill that are now at the desk be considered as having met the reading requirements under rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill H.R. 10710, an act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

Russell B. Long, Robert C. Byrd, Wallace F. Bennett, Hugh Scott, Alan Cranston, Joseph R. Biden, Jr., Hubert H. Humphrey, Walter D. Hathaway, John O. Pastore, Jacob K. Javits, Henry M. Jackson.

Walter F. Mondale, Jennings Randolph, Mike Gravel, Frank E. Moss, Abraham Ribicoff, Gaylord Nelson, Dick Clark, Sam Nunn, George D. Aiken, John Tower.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 531 Leg.]

Aiken	Eagleton	Mondale
Allen	Goldwater	Pastore
Beall	Gravel	Ribicoff
Buckley	Griffin	Scott, Hugh
Byrd, Robert C.	Gurney	Taft
Cranston	Hartke	Tunney
Curtis	Long	
Domenici	McIntyre	

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk	Fulbright	Packwood
Baker	Hansen	Pearson
Bartlett	Hart	Pell
Bayh	Haskell	Percy
Bennett	Hathaway	Proxmire
Bible	Helms	Randolph
Biden	Hollings	Roth
Brock	Hruska	Schweiker
Brooke	Humphrey	Scott, William L.
Burdick	Inouye	Sparkman
Byrd, Harry F., Jr.	Jackson	Stafford
Cannon	Javits	Stennis
Case	Kennedy	Stevens
Chiles	Magnuson	Stevenson
Church	McClellan	Symington
Clark	McClure	Talmadge
Cook	McGee	Thurmond
Dole	McGovern	Tower
Dominick	Metcalf	Weicker
Eastland	Metzenbaum	Williams
Ervin	Moss	Young
Fannin	Muskie	
Fong	Nelson	
	Nunn	

Mr. ROBERT C. BYRD. I announce that the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from New Mexico (Mr. MONTOYA), the Senator from Texas (Mr. BENTSEN), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and a fair world economic system, to stimulate the economic growth of the United States, and for other purposes, shall be brought to a close?

The yeas and the nays are mandatory under the rule.

The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER (Mr. GRAVEL). Will the Senate be in order and the Senators conduct themselves with proper decorum, take their seats, and take their conversations to the cloakroom?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for not to exceed 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, my viewpoint on the cloture motion is as follows: I may vote for or against the trade bill, but I do not want the Senate to be unable to work its will on this bill.

Both the Senate and the House hope to adjourn by the close of business next Friday, December 20, but if the Congress is unable to reach a final disposition of this bill one way or the other by the close of business next Friday, I am of the opinion that we will have to continue in session beyond that date or we will be called back into session to act on this bill one way or another.

So I would hope, in order to shorten the misery for all of us, that Senators, if they can, vote for cloture, they will do so now rather than delay.

We are going to have a cloture vote every day until this matter is disposed of or until it becomes obvious that a minority of one-third plus one in the Senate is going to stand indefinitely to prevent the majority from working its will.

Now, I respect the compunctions of any Senator who is opposed to voting for cloture. I respect that viewpoint. But for those who can vote for cloture, my hope would be that we do not delay it, and that we vote now, because this bill—once it is passed—is still going to have to go to conference and it is possible that we would be forced to have another cloture effort then.

I thank the Senators for this time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. GRAVEL). The Senate will be in order so that the Senators may hear their names being called.

The assistant legislative clerk resumed calling the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order? This is a very significant rollcall and Senators will want to listen to their names as they are called.

The PRESIDING OFFICER. The Senate will be in order. The Chair agrees with the statement that it is a very serious rollcall, and I am sure that all the

Members will want to hear their names as they are being called.

The assistant legislative clerk resumed calling the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senators will please clear the well and take their seats, refraining from conversing on the floor. The clerk will suspend until the Senators have cleared the well and conversation has ceased.

The assistant legislative clerk resumed calling the roll.

Mr. ROBERT C. BYRD. Mr. President, I hope the Chair will preserve order throughout the calling of the names.

The assistant legislative clerk resumed calling the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER (Mr. BIDEN). The Senators will please refrain from conversing. Many Senators are interested in how they are recorded as voting.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The yeas and nays resulted—yeas 71, nays 19, as follows:

[No. 532 Leg.]

YEAS—71

Aiken	Goldwater	Pastore
Baker	Gravel	Pearson
Bartlett	Griffin	Pell
Beall	Hansen	Percy
Bennett	Haskell	Randolph
Biden	Hathaway	Ribicoff
Brock	Helms	Roth
Brooke	Hollings	Scott, Hugh
Buckley	Hruska	Scott, William L.
Burdick	Humphrey	Sparkman
Byrd, Harry F., Jr.	Inouye	Stafford
Byrd, Robert C.	Jackson	Stevens
Church	Javits	Stevenson
Clark	Kennedy	Symington
Cook	Long	Taft
Cranston	Magnuson	Talmadge
Curtis	McGee	Thurmond
Dole	McGovern	Tower
Domenici	McIntyre	Tunney
Dominick	Metzenbaum	Weicker
Eagleton	Mondale	Williams
Fannin	Moss	Young
Fong	Nelson	
Fulbright	Nunn	
	Packwood	

NAYS—19

Abourezk	Eastland	Metcalf
Allen	Ervin	Muskie
Bayh	Gurney	Proxmire
Bible	Hart	Schweiker
Cannon	Hartke	Stennis
Case	McClellan	
Chiles	McClure	

NOT VOTING—10

Bellmon	Huddleston	Mathias
Bentsen	Hughes	Montoya
Cotton	Johnston	
Hatfield	Mansfield	

The PRESIDING OFFICER. On this vote, there are 71 yeas and the nays are 19. Two-thirds of the Senators present and voting having voted in the affirmative, the cloture motion is agreed to.

ORDER OF BUSINESS TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, there will be three consecutive 10-minute rollcall votes. The first will be on the passage of the OEO bill, the Community Services Act of 1974; the second will be on the nomination of Mr. Conant, and the third will be on the Veterans Housing Act of 1974.

COMMUNITY SERVICES ACT OF 1974

The PRESIDING OFFICER. Under the previous order, following the vote on the cloture motion, the Senate will now proceed to vote on passage of H.R. 14449, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I further announce that, if present and voting, the Senator from Texas (Mr. BENTSEN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 75, nays 15, as follows:

[No. 533 Leg.]

YEAS—75

Abourezk	Fulbright	Nunn
Aiken	Gravel	Packwood
Allen	Griffin	Pastore
Baker	Hart	Pearson
Bayh	Hartke	Pell
Beall	Haskell	Percy
Bible	Hathaway	Proxmire
Biden	Hollings	Randolph
Brock	Hruska	Ribicoff
Brooke	Humphrey	Roth
Burdick	Inouye	Schweiker
Byrd, Harry F., Jr.	Jackson	Scott, Hugh
Byrd, Robert C.	Javits	Sparkman
Cannon	Kennedy	Stafford
Case	Long	Stennis
Chiles	Magnuson	Stevens
Church	McClellan	Stevenson
Clark	McGee	Symington
Cook	McGovern	Taft
Cranston	McIntyre	Talmadge
Dole	Metcalf	Tunney
Domenici	Metzenbaum	Weicker
Eagleton	Mondale	Williams
Eastland	Moss	Young
Fong	Muskie	
	Nelson	

NAYS—15

Bartlett	Fannin	Scott, William L.
Bennett	Goldwater	Thurmond
Buckley	Gurney	Tower
Curtis	Hansen	
Dominick	Helms	
Ervin	McClure	

NOT VOTING—10

Bellmon	Huddleston	Mathias
Bentsen	Hughes	Montoya
Cotton	Johnston	
Hatfield	Mansfield	

So the bill (H.R. 14449) was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NELSON. Mr. President, I ask unanimous consent that the title under H.R. 14449 be amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

The title was amended so as to read:

An Act to provide for the extension of Headstart, community action, community economic development, and other programs under the Economic Opportunity Act of 1964, to provide for increased involvement of State and local governments in antipoverty efforts, and for other purposes.

Mr. NELSON. Mr. President, I move that the Senate insist upon its amendments to H.R. 14449 and request a conference with the House of Representatives thereon, and, that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer appointed Mr. NELSON, Mr. WILLIAMS, Mr. RANDOLPH, Mr. KENNEDY, Mr. MONDALE, Mr. CRANSTON, Mr. HUGHES, Mr. HATHAWAY, Mr. JAVITS, Mr. DOMINICK, Mr. SCHWEIKER, Mr. TAFT, and Mr. BEALL conferees on the part of the Senate.

EXECUTIVE SESSION—NOMINATION OF MELVIN A. CONANT

The PRESIDING OFFICER. Under the previous order, the Senate will now return to executive session and proceed to vote on the question, Will the Senate advise and consent to the nomination of Melvin A. Conant to be an Assistant

Administrator of the Federal Energy Administration?

Mr. PASTORE. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TALMADGE. What is the vote on?

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Melvin A. Conant to be an Assistant Administrator of the Federal Energy Administration?

Mr. TALMADGE. I thank the Chair. I did not hear the announcement before because of disorder in the Senate.

The PRESIDING OFFICER. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 55, nays 35, as follows:

[No. 534 Exec.]

YEAS—55

Aiken	Eastland	Pearson
Allen	Ervin	Pell
Baker	Fannin	Percy
Bartlett	Fong	Randolph
Beall	Fulbright	Ribicoff
Bennett	Goldwater	Scott, Hugh
Bible	Gravel	Scott, William L.
Brock	Griffin	Sparkman
Brooke	Gurney	Stafford
Buckley	Hansen	Stennis
Byrd, Harry F., Jr.	Hartke	Stevens
Byrd, Robert C.	Helms	Stevenson
Case	Hruska	Taft
Cook	Javits	Talmadge
Curtis	Long	Thurmond
Dole	McClellan	Tower
Domenici	McClure	Weicker
Dominick	Metcalf	Young
	Packwood	

NAYS—35

Abourezk	Hathaway	Moss
Bayh	Hollings	Muskie
Biden	Humphrey	Nelson
Burdick	Inouye	Nunn
Cannon	Jackson	Pastore
Chiles	Kennedy	Proxmire
Church	Magnuson	Roth
Clark	McGee	Schweiker
Cranston	McGovern	Symington
Eagleton	McIntyre	Tunney
Hart	Metzenbaum	Williams
Haskell	Mondale	

NOT VOTING—10

Bellmon	Huddleston	Mansfield
Bentsen	Hughes	Mathias
Cotton	Johnston	Montoya
Hatfield		

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS HOUSING ACT OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session and proceed to vote on the passage of H.R. 15912, as amended by the language of S. 3883, as amended, as a substitute for the House bill.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 15912) to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes.

The Senate resumed the consideration of the bill.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I think I should say while we have a good attendance of Senators, that immediately following this fourth back-to-back vote—this vote will be on the veterans home loan bill—the Senate then will proceed on the trade bill for the rest of the day to the exclusion of all other business, unless there is unanimous consent to proceed to something else.

If the trade bill is not completed today, the Senate will be on the trade bill tomorrow.

There will be rollcall votes this afternoon, and there will be rollcall votes tomorrow.

ORDER TO VACATE CLOTURE VOTE ON TRADE REFORM ACT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, at the present time, two cloture votes are scheduled for tomorrow. I ask unanimous consent that the cloture vote which would otherwise have occurred tomorrow on the trade bill be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS HOUSING ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 15912) to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes.

Mr. ROBERT C. BYRD. I understand that the yeas and nays have not been ordered on this bill. If anybody wants the yeas and the nays, they can ask for them, otherwise it will be a voice vote.

Mr. PASTORE. Mr. President, I ask for the yeas and the nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and the nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 90, nays 0, as follows:

[No. 535 Leg.]

YEAS—90

Abourezk	Dominick	McClure
Aiken	Eagleton	McGee
Allen	Eastland	McGovern
Baker	Ervin	McIntyre
Bartlett	Fannin	Metcalf
Bayh	Fong	Metzenbaum
Beall	Fulbright	Mondale
Bennett	Goldwater	Moss
Bible	Gravel	Muskie
Biden	Griffin	Nelson
Brock	Gurney	Nunn
Brooke	Hansen	Packwood
Buckley	Hart	Pastore
Burdick	Hartke	Pearson
Byrd, Harry F., Jr.	Haskell	Pell
Byrd, Robert C.	Hathaway	Percy
Cannon	Helms	Proxmire
Case	Hollings	Randolph
Chiles	Hruska	Ribicoff
Church	Humphrey	Roth
Clark	Inouye	Schweiker
Cook	Jackson	Scott, Hugh
Cranston	Javits	Scott, William L.
Curtis	Kennedy	Sparkman
Dole	Long	Stafford
Domenici	Magnuson	Stennis
	McClellan	

Stevens	Talmadge	Weicker
Stevenson	Thurmond	Williams
Symington	Tower	Young
Taft	Tunney	

NAYS—0

NOT VOTING—10

Bellmon	Huddleston	Mansfield
Bentsen	Hughes	Mathias
Cotton	Johnston	Montoya
Hatfield		

So the bill (H.R. 15912) was passed.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate companion bill S. 3883 now be indefinitely postponed.

The PRESIDING OFFICER (Mr. BIDEN). Without objections, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes so that certain nominations on the calendar be considered.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

U.S. ARMY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. ROBERT C. BYRD. I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The assistant legislative clerk read the nomination of Rear Adm. Howard E. Greer for admiral.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF STATE

The assistant legislative clerk proceeded to read sundry nominations in the Department of State.

Mr. ROBERT C. BYRD. I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. PELL. Mr. President, the confirmation of Dr. Dixy Lee Ray as Assistant Secretary of State to head up the Bureau of Oceans and International Environmental and Scientific Affairs is a most welcome event.

I applaud the choice of Dr. Ray, an outstanding woman of achievement, for this key new position in Government.

To it, she will bring a wealth of experience, knowledge, and an innovative, inquiring spirit. We all know the contribution she has already made in Government as Chairman of the Atomic Energy Commission.

For me, her confirmation will mark the culmination of a long effort on my part to achieve in the Department of State the more efficient coordination of and increased status for the functions that I call the new dimension of diplomacy. My first proposals for the new Bureau fell on indifferent ears. It was only when, my suggestions having been ignored by both Democratic and Republican administrations, I introduced and secured congressional passage of a provision in the State Department authorization bill of 1973 calling for the establishment of the Bureau, that the project came to be realized. The Bureau is unique, therefore, for having been established by legislative fiat, and it should receive particular consideration because of this fact. I recognize that our action in doing this is akin to killing an ant with a sledgehammer, but the intransigence and lack of receptivity of the executive branch to the ideas of Congress left me no alternative.

My proposal for the Bureau stemmed particularly from the growing importance of the oceans for mankind's well-being. If exploited equitably and conservingly, the fisheries and mineral resources of the sea will serve to flourish and supply generations of mankind. The role of the products of the sea cannot be underestimated as an expanding world population increases the pressure upon the limited resources of the land. Dr. Ray's profession as a marine biologist will serve her in good stead in this key area of her responsibilities. I trust that both the Department and she would remember that just as this Bureau is unique in the Department in having been created by legislative act, so the oceans should be the central interest and fulcrum around which the new Bureau should revolve.

Having created the new Bureau, the Congress will follow its development and activities with parental interest. I know that my colleagues join me in wishing Dr. Ray all success in her pioneering and creative tasks.

ROUTINE NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations in the Air Force, Army, Navy, and Marine Corps, placed on the Secretary's desk.

Mr. ROBERT C. BYRD. I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. JAVITS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRADE REFORM ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

The PRESIDING OFFICER. In light of the cloture vote having succeeded, it should be clarified by the Chair that no Senator may speak more than 1 hour and the time will be strictly kept. No dilatory motion or amendment, no amendments not germane will be in order. We shall continue on this as the unfinished business to the exclusion of all other business until the trade bill is disposed of.

The pending question is on the amendments of the Senator from Louisiana.

Without objection, they will be considered en bloc.

Mr. LONG. Mr. President, I ask first that Rod Solomon of Senator TAFT's staff be permitted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I have been advised by the Parliamentarian that the amendment I have pending is germane.

I would like to ask the Chair, in the opinion of the Chair, is that germane to the bill?

The PRESIDING OFFICER. It is germane.

Mr. LONG. Mr. President, I believe we can make a lot of progress on this bill if Senators do not insist on rollcall votes when they are not aware the amendment has any opposition.

I hope we can vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the Long amendment.

The amendment was agreed to.

Mr. JAVITS. Will the Senator allow me to make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. I did not hear the Senator make his amendment original text.

Mr. LONG. They are all original text.

AMENDMENT NO. 2044

Mr. PASTORE. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. PASTORE) proposes an Amendment No. 2044.

The amendment is as follows:

On page 275, between lines 17 and 18, insert the following:

(c)(1) The President may not designate any article as an eligible article under subsection (a) if such article is within one of the following categories of import-sensitive articles:

(A) textile and apparel articles which are subject to textile agreements,

(B) watches,

(C) import-sensitive electronic articles,

(D) import-sensitive steel articles,

(E) footware articles specified in items 700.05 through 700.27, 700.29 through 700.53, 700.55.23 through 700.55.75, and 700.60 through 700.80 of the Tariff Schedules of the United States,

(F) home-manufactured and manufactured glass products, and

(G) any other articles which the President determines to be import-sensitive in the context of the Generalized System of Preferences.

On page 275, line 18, strike out "(c)" and insert in lieu thereof "(2)".

Mr. PASTORE. Mr. President, this is an amendment being sponsored by myself and Senator HUMPHREY. It codifies into the law a commitment made by the administration with reference to certain exclusions from generalized systems.

I have taken this up with the manager of the bill. He informs me that he is amenable to it, and I cannot pursue it any further than this.

Mr. LONG. What the Senator said is correct. I support the amendment.

Mr. JAVITS. Mr. President, I yield myself 1 minute. I think we ought to know what it is about, not a blind alley.

Mr. PASTORE. All right, take page 224 of the hearings.

Mr. LONG. The committee report.

Mr. PASTORE. The committee report, and we read a letter from Mr. Eberle where he says:

In response to questions concerning this Administration's commitment to such exclusions, I reaffirm the intention of the Executive Branch to exclude from tariff preferences textile and apparel products which are subject to textile agreements, footwear products, watches, certain steel products and other items which may be considered import-sensitive in the context of generalized preferences.

It is all spelled out there. That is what this amendment does.

Mr. HUMPHREY. Mr. President, I am a joint sponsor with Senator PASTORE of amendment No. 2044 to the trade bill, H.R. 10710. I strongly urge its adoption to help assure adequate protections for America's workers.

While the principle of this bill of expanding trade on a reciprocal basis is most desirable, we need to be responsive workers and industries.

We would be remiss in our duty if we blindly followed any economic or trade dogma without regard to how our workers and industries are being affected in the real world.

I support this amendment in order to make it clear that we are determined to protect American jobs and industries.

The PRESIDING OFFICER. The question is on agreeing to the Pastore amendment.

The amendment was agreed to.

Mr. PASTORE. Mr. President, I ask unanimous consent there be printed in the RECORD at this point an explanation of what is meant by footwear.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1972)

SCHEDULE 7.—SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

PART 1.—FOOTWEAR; HEADWEAR AND HAT BRAIDS; GLOVES; LUGGAGE, HANDBAGS, BILLFOLDS, AND OTHER FLAT GOODS

Item	Stat. suffix	Articles	Units of quantity	Rates of duty 1	Rates of duty 2

Subpart A.—Footwear

Subpart A headnotes:

1. This subpart covers boots, shoes, slippers, sandals, moccasins, slipper socks (socks with applied soles of leather or other material), scuffs, overshoes, rubbers, arctics, galoshes, and all allied footwear (including athletic or sporting boots and shoes) of whatever material composed, and by whatever method constructed, all the foregoing designed for human wear except—

(i) footwear with permanently attached skates or snowshoes (see part 5D of this schedule),

(ii) hosiery (see part 6C of schedule 3), and

(iii) infants' knit footwear (see part 6F of schedule 3).

2. For the purposes of the subpart—

(a) the term "huaraches" (item 700.05) means a type of leather-soled sandal having a woven-leather upper laced to the insole, with the insole machine-stitched to to outsole, and having a heel which is mailed on;

(b) the term "McKay-sewed footwear" (item 700.10) means footwear the soles of which are sewed to the upper by means of a McKay chainstitch, with the stitching passing through the outside, upper, lining, and insole;

(c) the term "moccasions" (item 700.15) means footwear of the American Indian handicraft type, having no line of demarcation between the soles and the uppers;

(d) the term "welt footwear" (items 700.25 through 700.29) means footwear constructed with a welt, which extends around the edge of the tread portion of the sole, and in which the welt and shoe upper are sewed to a lip on the surface of the insole, and the outsole of which is sewed or cemented to the welt;

(e) the term "slippers" (item 700.32) means footwear of the slip-on type without laces, buckles, zippers, or other closures, the heel of which is of underwedge construction, and (1) having a leather upper permanently trimmed with a real or imitation fur collar, or (2) having a leather upper and a split leather tread sole (including heel) held together by a blown sponge-rubber midsole created and simultaneously vulcanized thereto;

(f) the term "footwear for men, youths, and boys" (item 700.35) covers footwear of American youths' size 11½ and larger for male and does not include footwear commonly worn by both sexes; and

(g) the term "fibers" means unspun fibrous vegetable material, vegetable fibers wool, silk, or other animal fibers, man-made fibers, paper yarns, or any combination thereof.

3. (a) For the purposes of items 700.51 through 700.55, the rubber or plastics forming the exterior surface area specified, if supported by fabric or other material, must coat or fill the supporting material with a quantity of rubber or plastics sufficient to visibly and significantly affect the surface otherwise than by change in color, whether or not the color has been changed thereby.

(b) Subject to the provisions of section 336(f) of this Act, the merchandise in item 700.60 shall be subject to duty upon the basis of the American selling price, as defined in section 402 or 402a of this Act, or like or similar articles manufactured or produced in the United States.

Subpart A statistical headnote:

1. For the purposes of this subpart—

(a) the term "athletic footwear" covers footwear of special construction for baseball, football, soccer, track, skating, skiing, and other athletic games, or sports;

(b) the term "work footwear" covers footwear having outsoles ¼ inch or over in thickness (measured at the ball of the foot) and having uppers of grain leather extending above the ankle;

(c) the term "soled 'moccasins'" covers footwear in which the vamp extends completely under the foot, whether or not seamed, forming both the bottom and the sides to which an outsole is attached;

(d) the term "cement footwear" covers footwear in which the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing, but not including footwear having vulcanized soles or injection molded soles;

(e) the term "soft sole footwear" covers footwear in which the upper and the tread sole are sewn together in such manner that both are folded inward with their outer surfaces in contact inside the footwear at the seam;

(f) the term "casual footwear" covers footwear constructed with a wedge heel, or with an open toe and so constructed that the heel of the foot is not over 1 inch above the ball of the foot;

(g) the term "boots" covers footwear (other than footwear of oxford height) designed to be worn next to the sock rather than over the shoe;

(h) the term "footwear for men" covers footwear of American men's size 6 and larger for males, and does not include footwear commonly worn by both sexes;

(i) the term "footwear for youths and boys" covers footwear of American youths' size 11½ and larger but not as large as American men's size 6, and does not include footwear commonly worn by both sexes;

(j) the term "footwear for women" covers footwear of American women's size 4 and larger, whether for females or of types commonly worn by both sexes;

(k) the term "footwear for misses" covers footwear of American misses' size 12½ and larger but not as large as American women's size 4, whether for females or of types commonly worn by both sexes;

(l) the term "footwear for children" covers footwear of American children's size 8½ and larger but not as large as the footwear described in statistical headnotes (i) and (k);

(m) the term "footwear for infants" covers all footwear not included in the foregoing statistical headnotes (h), (i), (j), (k), and (l); and

(n) the term "oxford height" covers footwear the upper of which does not extend above the ankle.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1972)—Continued

SCHEDULE 7.—SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS—Continued

PART 1.—FOOTWEAR; HEADWEAR AND HAT BRAIDS; GLOVES; LUGGAGE, HANDBAGS, BILLFOLDS, AND OTHER FLAT GOODS—Continued

Item	Stat. suffix	Articles	Units of quantity	Rates of duty 1	Rates of duty 2
		Footwear, of leather (except footwear with uppers of fibers):			
700.05	00	Huaraches	Prs.	20% ad val.	20% ad val.
700.10	00	McKay-sewed footwear	Prs.	10% ad val.	30% ad val.
700.15	00	Moccasins	Prs.	10% ad val.	20% ad val.
700.20		Turn or turned footwear		2.5% ad val.	10% ad val.
	20	For men, youths, and boys	Prs.		
7	45	For women	Prs.		
7	50	For misses	Prs.		
	60	For children and infants	Prs.		
		Welt footwear:			
700.25	00	Valued not over $2 per pair	Prs.	17% ad val.	20% ad val.
700.26		Valued over $2 but not over $5 per pair		17¢ per pair.	20% ad val.
	10	Work footwear	Prs.		
		Other:			
	30	For men	Prs.		
	50	Other	Prs.		
700.27		Valued over $5 but not over $6.80 per pair		5% ad val.	20% ad val.
	18	Work footwear	Prs.		
		Other:			
	38	For men	Prs.		
	48	Other	Prs.		
		Valued over $6.80 per pair:			
700.28	00	Ski boots	Prs.	Free.	20% ad val.
700.29		Other		5% ad val.	20% ad val.
	20	Athletic footwear other than ski boots	Prs.		
	40	Work footwear	Prs.		
		Other:			
	60	For men	Prs.		
	80	Other	Prs.		
700.30	00	Footwear with molded soles laced to uppers	Prs.	5% ad. val.	20% ad val.
700.32	00	Slippers	Prs.	5% ad val.	20% ad val.
		Other:			
700.35		For men, youths, and boys		8.5% ad val.	20% ad val.
		Athletic footwear:			
	05	Ski boots	Prs.		
	15	Other athletic footwear	Prs.		
		Work footwear:			
7	27	For men	Prs.		
7	29	For youths and boys	Prs.		
		Soled "moccasins":			
	30	For men	Prs.		
	35	For youths and boys	Prs.		
		Other:			
		With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:			
	40	For men	Prs.		
	45	For youths and boys	Prs.		
		Cement footwear:			
	50	For men	Prs.		
	55	For youths and boys	Prs.		
		Other:			
	75	For men	Prs.		
	80	For youths and boys	Prs.		
		For other persons:			
700.41	7	Sandals of buffalo leather, the uppers of which consist primarily of straps across the instep and big toe		10% ad cal.	20% ad val.
7	10	For women	Prs.		
7	20	For misses	Prs.		
7	30	For children	Prs.		
7	40	For infants	Prs.		
		Other:			
700.43		Valued not over $2.50 per pair		15% ad val.	20% ad val.
	05	Athletic footwear	Prs.		
		Casual footwear:			
	10	For women	Prs.		
	15	Other	Prs.		
		Soled "moccasins":			
	20	For women	Prs.		
	25	Other	Prs.		
		Other:			
		With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:			
	30	For women	Prs.		
	35	Other	Prs.		
		Cement footwear:			
	40	For women	Prs.		
	45	For misses	Prs.		
	50	For children	Prs.		
	55	For infants	Prs.		
		Other:			
	60	For women	Prs.		
	65	For misses	Prs.		
	70	For children	Prs.		
	75	For infants	Prs.		
700.45		Valued over $2.50 per pair		10% ad val.	20% ad val.
	05	Athletic footwear	Prs.		
		Casual footwear:			
	10	For women	Prs.		
	15	Other	Prs.		
		Soled "moccasins":			
	20	For women	Prs.		
	25	Other	Prs.		
		Other:			
		With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:			
	30	For women	Prs.		
	35	Other	Prs.		
		Cement footwear:			
	40	For women	Prs.		
	45	For misses	Prs.		
	50	For children	Prs.		
	55	For infants	Prs.		
		Other:			
	60	For women	Prs.		
	65	For misses	Prs.		
	70	For children	Prs.		
	75	For infants	Prs.		

Item—	Stat. suffix	Articles	Units of quantity	Rates of duty 1	Rates of duty 2
		Footwear (whether or not described elsewhere in this subpart) which is over 50 percent by weight of rubber or plastics or over 50 percent by weight of fibers and rubber or plastics with at least 10 percent by weight being rubber or plastics:			
		Hunting boots, gaslashes, rainwear, and other footwear designed to be worn over, or in lieu of, other footwear as a protection against water, oil, grease, or chemicals or cold or inclement weather, all the foregoing having soles and uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear with uppers of nonmolded construction formed by sewing the parts thereof together and having exposed on the outer surface a substantial portion of functional stitching):			
700.51	00	Having soles and uppers of which over 90 percent of the exterior surface area is polyvinyl chloride, whether or not supported or lined with polyvinyl chloride but not otherwise supported or lined	Prs.	12.5% ad val.	25% ad val.
700.52	00	Footwear (except footwear provided for in item 700.51), the uppers of which do not extend above the ankle, designed for use without closures, whether or not supported or lined	Prs.	25% ad. val.	50% ad val.
700.53		Other		37.5% ad val.	75% ad val.
	20	Boots	Prs.		
	40	Other	Prs.		
		Other footwear (except footwear having uppers of which over 50 percent of the exterior surface area is leather):			
700.55		Having uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear having foxing or a foxing-like band applied or molded at the sole and overlapping the upper)		6% ad val.	35% ad val.
	20	Zoris (thonged sandals)	Prs.		
	23	Soft sole footwear	Prs.		
		Footwear having supported vinyl uppers:			
7	37	For men	Prs.		
7	39	For youths and boys	Prs.		
7	47	For women	Prs.		
7	49	For misses	Prs.		
7	57	For children	Prs.		
7	59	For infants	Prs.		
		Other:			
7	77	For men	Prs.		
7	79	For youths and boys	Prs.		
7	81	For women	Prs.		
7	83	For misses	Prs.		
7	85	For children	Prs.		
7	87	For infants	Prs.		
700.60		Other		20% ad val.	35% ad val.
		Like or similar to U.S. footwear:			
		Oxford height:			
	05	For men, youths, and boys	Prs.		
	15	For women and misses	Prs.		
	25	For children and infants	Prs.		
	30	Other	Prs.		
		Not like or similar to U.S. footwear:			
		Oxford height:			
	35	For men, youths, and boys	Prs.		
	45	For women and misses	Prs.		
	55	For children and infants	Prs.		
	60	Other	Prs.		
		Footwear, with uppers of fibers:			
		With soles of leather:			
700.66		Valued not over $2.50 per pair		15% ad val.	35% ad val.
	20	Slipper socks	Prs.		
		Other:			
	40	For men, youths, and boys	Prs.		
	60	Other	Prs.		
700.68		Valued over $2.50 per pair		10% ad val.	35% ad val.
	20	Slipper socks	Prs.		
		Other:			
	40	For men, youths, and boys	Prs.		
	60	Other	Prs.		
		With soles of material other than leather:			
700.70		With uppers of vegetable fibers		7.5% ad val.	35% ad val.
	20	For men, youths, and boys	Prs.		
7	65	For women	Prs.		
7	70	For misses	Prs.		
7	75	For children	Prs.		
7	80	For infants	Prs.		
700.75	7	With soles and uppers of wool felt		7% ad val.	35% ad val.
7	10	For men	Prs.		
7	20	For youths and boys	Prs.		
7	30	For women	Prs.		
7	40	For misses	Prs.		
7	50	For children	Prs.		
7	60	For infants	Prs.		
700.80		Other		12.5% ad val.	35% ad val.
	20	For men, youths, and boys	Prs.		
7	65	For women	Prs.		
7	70	For misses	Prs.		
7	75	For children	Prs.		
7	80	For infants	Prs.		
		Other footwear:			
700.83	7	Of wood		8% ad val.	33⅓% ad val.
7	10	For men	Prs.		
7	20	For youths and boys	Prs.		
7	30	For women	Prs.		
7	40	For misses	Prs.		
7	50	For children	Prs.		
7	60	For infants	Prs.		
700.85		Other		12.5% ad val.	35% ad val.
	20	For men, youths, and boys	Prs.		
7	65	For women	Prs.		
7	70	For misses	Prs.		
7	75	For children	Prs.		
7	80	For infants	Prs.		

Subpart B.—Headwear and Hat Braids

Subpart B headnote:

1. For the purposes of this subpart—

(a) the term "headwear" includes hats, caps, berets, bonnets, hoods, and all other head coverings, of whatever material composed (including bodies, forms, plateaux, manchons, and shapes for headwear), designed for human wear, except infants' knit headwear, but does not include mufflers, scarves, shawls, mantillas, veils, and similar articles; hair nets; hair ornaments; or wigs and similar articles; and

(b) the term "caps" (items 702.15 and 702.20) means headwear without a brim but with a shade or visor in front

Mr. ROBERT C. BYRD. Mr. President, on my time, will the distinguished senior Senator from Rhode Island yield to me for a question?

Mr. PASTORE. Yes.

Mr. ROBERT C. BYRD. Does the amendment offered by the able Senator from Rhode Island (Mr. PASTORE) include semi-manufactured and manufactured glass products as I requested of him in our discussion yesterday?

Mr. PASTORE. Yes, because I consider it to be in the same category as the others.

Mr. ROBERT C. BYRD. I thank my distinguished friend from Rhode Island.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, I yield myself another minute.

Mr. President, may I ask Senator LONG whether Senator JACKSON's amendment was supposed to come at this point?

Mr. RIBICOFF. The Senator intended to call it up, but I do not see Senator JACKSON on the floor.

I think in all due respect, I prefer Senator JACKSON to call up his own amendment.

Mr. JAVITS. Will the Senator indulge us to get a quorum?

Mr. LONG. Well, we had an amendment by Senator BYRD of Virginia which I promised to call up as soon as I could. I suggest we call that up. I ask that Senator BYRD of Virginia be notified his amendment is before the Senate.

It deals with the $300 million limit on the Eximbank already agreed to in similar legislation.

I ask that amendment be laid before the Senate. It is No. 2027.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

SEC. . LIMITATION ON CREDIT TO RUSSIA.

After the date of enactment of the Trade Reform Act of 1974, the Export-Import Bank of the United States shall not approve any loans, guarantees, insurance, or any combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300,000,000, without prior congressional approval.

Mr. LONG. Mr. President, Congress has already done the same thing with regard to the Eximbank bill and I think we could do no less on this. Senator BYRD might want to speak on it.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, I yield myself 1 minute to ask a question.

I did not hear the Senator from Louisiana's explanation as to the fact that this had been done somewhere else or something like that.

AMENDMENT NO. 2026

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the amendment No. 2027 be withdrawn and ask that amendment No. 2026 be called up and reported.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

SEC. . LIMITATION ON CREDIT TO RUSSIA.

After the date of enactment of the Trade Reform Act of 1974, no agency of the Government of the United States shall approve any loans, guarantees, insurance, or any combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300,000,000 without prior congressional approval.

Mr. HARRY F. BYRD, JR. I yield to the Senator from New York.

Mr. JAVITS. Now, Mr. President, I just wonder, the Senator from Louisiana (Mr. LONG) said this had been done somewhere else. I would like to know where and what it is all about.

Mr. HARRY F. BYRD, JR. Mr. President, a similar amendment has been approved by the Senate several times on the Export-Import Bank bill. Also, the Senate-House conferees agreed on a similar amendment in the conference report.

Mr. JAVITS. Which is now before us, the current one?

Mr. HARRY F. BYRD, JR. Yes, which is now before us.

Mr. JAVITS. I am perfectly willing to accept the Senator's representation, but I want to be sure we understand each other.

There is a pending conference report on Eximbank which is subject to a cloture vote tomorrow.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. JAVITS. That report contains this amendment?

Mr. HARRY F. BYRD, JR. It contains a similar amendment.

Mr. JAVITS. It would be impossible for the Senator from New York to compare when standing here on one foot, so I will accept Senator BYRD's statement that it is not only unknown, under some broad interpretation somewhere, but it does the same thing.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. JAVITS. May I ask the Senator one other question? Has the Senator ascertained whether this amendment is germane under the bill?

Mr. HARRY F. BYRD, JR. Yes, the Senator from Virginia has consulted with the Parliamentarian. The Parliamentarian expresses the view that it is germane under the bill.

Mr. JAVITS. One last question: Has the Senator consulted with Senator STEVENSON to find out whether its inclusion in this bill in any way will complicate or be adverse to the approval of the conference report which is now before the Senate?

Mr. HARRY F. BYRD, JR. I must say that the Senator from Virginia has not consulted with the Senator from Illinois.

Mr. JAVITS. May I make this suggestion? We all deal with each other in this way. I shall not stand in the way of its adoption, but I do hope that in fairness to all of us, the Senator will consult with Senator STEVENSON and, if there is any reason for anybody reversing his field, the Senator from Virginia will come back and tell us about it?

Mr. HARRY F. BYRD, JR. I think it is an excellent suggestion. I have consulted with the Senator from Utah. He has not made a finding as to what he will be able to do in regard to this amendment. If he decides that he prefers that it not be adopted at this point, I shall then move to reconsider the vote and leave it up to the Senator to decide.

Mr. JAVITS. I thank the Senator, but I think he should touch those bases.

Mr. HARRY F. BYRD, JR. I have consulted with the Senator from Utah. If he objects to this procedure, I shall ask unanimous consent to take the amendment down and let the Senator vote.

Mr. JAVITS. And it will be similar with Senator STEVENSON?

Mr. HARRY F. BYRD, JR. Meanwhile, I shall consult with the Senator from Illinois. I am glad that the Senator from New York made that suggestion.

Mr. President, I move the adoption of amendment No. 2027.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment.

What is the will of the Senate?

AMENDMENT NO. 2022

Mr. HELMS. Mr. President, I call up my amendment No. 2022, of which the distinguished Senator from South Carolina (Mr. THURMOND) is a cosponsor, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 2022

On page 264, after line 18, insert the following:

"SEC. 409. FREEDOM TO VISIT, AND TO EMIGRATE TO JOIN, A VERY CLOSE RELATIVE IN THE UNITED STATES.

"(a) To assure the continued dedication of the United States to the fundamental human rights and welfare of its own citizens, and notwithstanding any other provision of law, on or after the date of the enactment of this Act, no nonmarket economy country shall participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

"(1) denies its citizens the right or opportunity to visit, or to join permanently through emigration, a very close relative in the United States, such as a spouse, parent, child, brother, or sister;

"(2) imposes more than a nominal tax on the visas or other documents required for a visit or emigration described in paragraph (1); or

"(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to make a visit or to emigrate as described in paragraph (1),

and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).

"(b) After the date of the enactment of this Act, (A) a nonmarket economy country

may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (B) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of its laws and policies and restrictions or discrimination applied to or against persons wishing to visit close relatives in the United States or to emigrate to the United States to join them. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter, so long as such credits or guarantees are extended or such agreement is in effect.".

On page 261, lines 2 and 6, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 262, line 24, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 263, line 17, after the period insert the following: "Clause (A) shall not apply with respect to a report submitted under section 409(b)."

On page 90, line 17, strike out "'402(b)' or '403(b)'" and insert "'402(b)', '403(b)', or '409(b)'".

Mr. HELMS. Mr. President, I have discussed this matter with the distinguished manager of the bill, the Senator from Louisiana (Mr. LONG), and with the Senator from Utah (Mr. BENNETT), and I believe they are prepared to accept it.

Mr. President, my amendment No. 2022 is intended to encourage the free emigration of all people in nonmarket economy countries who wish to be reunited with their families in the United States. Its purpose is to make it possible for very close relatives—a spouse, parent, child, brother, or sister—of those living in the United States to apply for emigration without harassment and without paying excessive fees or taxes and receive exit permits.

This amendment supplements the "Freedom of Emigration" section, section 402, without amending that section. It is a completely new section of title IV.

This amendment is necessary because no evidence has been presented to date that the negotiations which have been ongoing with regard to emigration apply to all ethnic, racial, and religious groups without discrimination. If I am correct, it was the understanding of the Finance Committee that section 402 did apply to all groups. Such a statement appears in the committee report of November 26, 1974, page 206.

But Secretary of State Kissinger indicated to the members of the committee in hearings on December 3, 1974, that while the principle of the so-called Jackson-Vanik amendment applied to all groups in theory, the actual practice to date had confined the negotiations to increased Jewish emigration from the Soviet Union. He indicated this at least six times.

Mr. President, I ask unanimous consent that a chart I have prepared with the appropriate quotations from the report and from Dr. Kissinger's responses on December 3 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, I yield myself 2 minutes. I should like to ask the Senator some questions about this amendment.

Is this ultimately a replacement of the original Jackson amendment?

Mr. HELMS. I think, in light of the questions that the Senator may ask, I should proceed with the rest of the statement. I thought a copy had been sent to the Senator's desk.

A further problem is that the Jackson-Vanik language includes provisions related to most-favored-nation status, and for that reason, Poland and Yugoslavia are excluded from the benefits of the "Freedom of Emigration" section, inasmuch as those two countries already have MFN status. Yugoslavia's emigration policies are considerably more liberal than most nonmarket economy countries, but those of Poland remain restrictive.

Thus, even though the Jackson-Vanik language in theory applies to all groups, and in practice has been restricted to increased Jewish emigration, it will not help Polish Jews who are seeking to emigrate, and of course, it will not help other Poles either.

My amendment deals only with credits, credits guarantees, and investment guarantees. It does not deal with MFN and, therefore, applies to the extension of such trade practices to Poland and Yugoslavia. Under my amendment, Yugoslavia in all likelihood would already qualify for such credits and guarantees if the President made the proper finding. With Poland, however, emigration policies would have to improve before the President could make such a finding in good conscience.

Mr. President, I am pleased that the Jackson-Vanik language has proved so efficacious even when it was only a threat and not actually yet approved as part of the law. The understanding which Secretary Kissinger says he has achieved with the Soviet Union is a great accomplishment, and an enormous contribution to human rights. The so-called waiver provision which Senator JACKSON is proposing to amend his own language will keep the threat of withdrawal dangling before the Soviets so that this understanding will not be jeopardized.

Nevertheless, I think it is the clear intention of Congress, and the will of the American people, that such benefits should apply without discrimination to all peoples, including all Jews. This is part of the great American tradition, the heritage which we must pass down to our children.

Now, I understand that the negotiations are continuing, and are to be conducted with other nonmarket economy countries as well. But what is likely to be the negotiating posture of the Soviet Union at this point? The most likely response is for the Soviet negotiators to say: "We have already made our concessions, we are increasing Jewish emigration, and we are not going to speak to you about other ethnic groups. Moreover, your Congress has accepted this understanding; your Secretary of State has fully reported to them on our agreement. We will not give more."

I realize that in a negotiating situation, one cannot always get everything that one wants. I have, therefore, restricted my proposal so as to limit it to the most pressing concern of the American people, the reuniting of separated families in the United States with their very close relatives in nonmarket economy countries. I think that the right of emigration should be universal, but I realize that our powers of persuasion at this point might be limited.

The quid pro quo, therefore, is limited to American credits for American families. It is an appeal that we cannot and must not resist.

If we allow section 402 to stand as reported, or even as amended by the Jackson waiver, doubt will exist in the legislative history that the Senate expected a thoroughgoing prosecution of the negotiations. The implication will be that the negotiations as they have proceeded are acceptable. Thus the Helms amendment will complement section 402, because it will give new hope to American families, particularly those with relatives in Poland, that they can be reunited.

The Soviet negotiators cannot raise any objections to the Helms amendment. They have already accepted the principle of negotiations for emigration tied to trade benefits. The pool of persons to whom the Soviet authorities would have to allow emigration privileges would be considerably restricted, and they would find it more reasonable to have the benefits of U.S. trade associated with the principle of reuniting American families.

Moreover, as many Senators are aware, the Conference on Security and Cooperation in Europe has been meeting in Geneva, and only a few days ago has come to a draft agreement with the Soviets on strengthening East-West contacts, including the issue of family reunification. I understand that a text was provisionally registered on December 3, to ease considerably the existing practices on the reuniting of divided families. I think we may conclude, therefore, that the Soviets can have no objection to including the same issue in the Trade Reform Act, since the principle has already been accepted.

We must assume that the Soviets intend to abide by this principle. By putting it in the Trade Reform Act, however, we will have a fall-back position in case something should go wrong. The provisional agreement has not yet been finalized. By putting some strength behind our diplomacy, we will be supporting those in the bureaucracies and party structures of nonmarket economy countries who have been supporting increased East-West contact. We cannot let them down.

EXHIBIT 1

WHY THE HELMS AMENDMENT IS NEEDED

The Senate Finance Committee believed that the Jackson-Vanik Amendment applied to all citizens of all non-market economy countries:

"It is the Committee's understanding that the 'Freedom of Emigration' amendment in the bill is intended to encourage free emi-

gration of all peoples from all communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country). Accordingly, each communist country which enters into a bilateral commercial agreement with the United States will be expected to provide reasonable assurances that freedom of emigration will be a realizable goal." Report of the Committee on Finance, November 26, 1974, p. 206.

But Secretary Kissinger indicated to the members of the committee on December 3, 1974 that—

"The Compromise which I have put before the Committee takes great care to maintain the distinctions that we have tried to elaborate while hopefully producing a positive outcome of what we are attempting to achieve, namely increased Jewish emigration."

"These documents do not specifically refer to those of the Jewish faith, but I think it is a reasonable extrapolation from the Record that this was the predominant concern."

"There is no specific reference I believe to Jewish emigration but I think in the legislative history of this matter one would have to say that this has been the primary focus of the conversations."

"No, there is nothing in that exchange of correspondence (that relates to an emigration matter for a country such as Hungary)."

Secretary Kissinger's response to Senator Byrd's inquiry of whether the agreement between the U.S. and the Soviet Union applies to all citizens of Russia or just to the Jewish citizenry: "Well, we were talking about Jewish emigration."

"But let me point out, in order to be precise, what it is that the Soviet leaders have described to us. The Soviet leaders have not made an assurance, have not made a commitment to the Government of the U.S."

The Helms amendment will encourage the free emigration of all people in non-market economy countries who wish to be reunited with their families in the United States.

WHAT DOES THE HELMS AMENDMENT TO THE TRADE REFORM ACT DO?

1. What countries come under the Helms Amendment?

A: All nonmarket economy countries in Title IV.

2. Does the Helms Amendment affect MFN status?

A. No. The Helms Amendment affects only credits, credit guarantees, and investment guarantees.

3. What does the Helms Amendment do?

A. The Helms Amendment gives a special break to very close relatives of U.S. residents—spouse, parent, child, brother, or sister—to reunite their families.

4. How does the Helms Amendment affect the so-called Jackson Amendment to Section 402 of the Trade Reform Act?

A. The Helms Amendment has no effect on Section 402, with or without the Jackson Amendment. The Helms Amendment is a new section of Title IV, to be numbered Section 409.

5. What is the principal difference between the Helms Amendment and the "Freedom of Emigration" amendment?

A. Section 402, the "Freedom of Emigration" section applies to a large volume of persons, but in practical effect the negotiations have been limited to a narrow group, namely Jews who wish to emigrate from the Soviet Union to Israel. The Helms Amendment applies to a restricted volume of persons, namely, very close relatives of U.S. citizens, but would affect a broad range of nationalities and ethnic groups without discrimination.

6. Does Section 402, the "Freedom of Emigration" section, apply to Poland and Yugoslavia?

A. No, "Freedom of Emigration" does not apply to Poland and Yugoslavia because they are listed under rate column number 1 of the Tariff Schedules of the U.S. (See Sect. 402(c), p. 247 of H.R. 10710), and therefore already have MFN status.

7. Does the Helms Amendment apply to Poland and Yugoslavia?

A. The Helms Amendment applies to all nonmarket economy countries without discrimination, including Poland and Yugoslavia. At the present time, Poland restricts emigration; Yugoslavia has much more liberal policies.

8. Would the Helms Amendment affect Poland's MFN status?

A. No. The Helms Amendment affects only credits and guarantees.

9. Does the Helms Amendment interfere in the internal policy of other countries?

A. No. It simply regulates the U.S. policy with regard to U.S. government participation in credits and guarantees. We have long had restrictions on such participation for various economic, diplomatic and humanitarian reasons.

10. What additional benefits does the Helms Amendment provide to American Jewish families?

A. The Helms Amendment applies to their close relatives in Poland who are not assisted by the Jackson-Vanik Amendment.

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. James P. Lucier, of my staff, be permitted the privilege of the floor during the discussion of this amendment.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

Mr. JAVITS. I yield myself 3 minutes.

Mr. President, the thing that concerns me about this amendment is that there is nothing in the Jackson amendment which relates to Jews. It applies to everybody, and it applies to nonmarket economies, and it has a very important and very carefully architected set of provisions respecting how these particular requirements may be waived.

Also, the Jackson amendment applies, as does this one, to the various kinds of investment other than MFN.

Finally, the Jackson amendment also applies to a reuniting of families. Indeed, it purports to be a generic amendment applying to all kinds of emigration not only emigration to reunite families.

The thing that concerns me, as one of the cosponsors of the Jackson amendment, is whether we would be adopting here, in the Helms amendment, an amendment which simply contradicts what has been so laboriously done, though it took 2 years to work out the Jackson amendment when it was the principal aspect of what has brought the trade bill to the possibility of action now. It might not be acted on even now.

I am deeply concerned that the amendment which has been proposed simply goes back to the old Jackson amendment, with no thought or concern whatever for the job which has been done.

So I ask the Senator why it is that the Jackson amendment will not cover exactly what he has in mind. I wish the Senator would point out where in any way the Jackson amendment is confined to Jews. Indeed, I was one of the negotiators, and that was never in contemplation. It applies to everyone. Or where the Jackson amendment is simply limited to most-favored-nation treatment, because, as I understood it, it related to all the range of trade relationships which are possible between the two countries.

I do not think we can just swallow this, which may be a camel, without knowing a little more about it, especially in view of the enormous labor which went into the negotiation and consummation of the language in detail of the Jackson amendment as it now appears before the Senate.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. JAVITS. I yield myself 1 additional minute.

As I read the Helms amendment, it is confined to reunion of families, though I must say that is a pretty broad net, and it is fine—I am all for it—but it is essentially the original Jackson amendment, confined to the reunion of families and may very well, therefore, nullify the whole effort we have made which is included in amendment No. 2000.

I would greatly appreciate it if Senator HELMS could explain to us why that is or is not so.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

I say to the distinguished Senator from New York that the Committee on Finance obviously believed that the Jackson amendment applied to all citizens in all nonmarket economy countries, because it was clearly stated:

> It is the Committee's understanding that the "Freedom of Emigration" amendment in the bill is intended to encourage free emigration of all peoples from all communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country). Accordingly, each communist country which enters into a bilateral commercial agreement with the United States will be expected to provide reasonable assurances that freedom of emigration will be a realizable goal.

All we seek to do is to back up this assumption, this belief, of the Committee on Finance.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by the distinguished Senator from North Carolina and am pleased to cosponsor this effort to extend basic rights and freedoms to peoples around the globe. Adoption of this amendment will clearly indicate that the United States will not compromise its commitment to freedom merely for economic gains.

The purpose of this amendment is a very noble one. It would extend and supplement the Jackson-Vanik amendment to the trade bill, which is aimed mainly at insuring the rights of Jewish persons to emigrate from the Soviet Union. In a similar vein, this amendment would insure that citizens of all nonmarket economy countries which have formal trade agreements with the United States will have the freedom to visit relatives outside their country or join them permanently through emigration.

The Helms amendment is broader than the Jackson-Vanik amendment in the scope of its application and would have additional benefits for American citizens. It would apply to all nonmarket economy countries which trade with the United States—not just the Soviet Union. Furthermore, it is not limited to any particular ethnic class of people. Thus, it would benefit Poles, Hungarians, and citizens of other Communist countries, as well as

Soviet Jews, who might desire to visit or permanently join relatives in the United States. American citizens deserve the opportunity to actively maintain family ties with relatives in other countries, and this amendment will be helpful toward that end.

Mr. President, I have always felt that this great Nation was the bastion of freedom for the world. I believe this Congress should go on record as being determined to maintain that kind of worldwide image. This amendment will do much to further this objective. It is certainly germane to this trade reform bill, and I urge that it be made a part of this landmark legislation.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JAVITS. Will the Senator use his own time?

Mr. RIBICOFF. On my time.

Mr. President, I have listened to the colloquy, and I think there is some misunderstanding. I believe that what the Senator from North Carolina is proposing is done in complete good faith to take care of unusual situations.

In view of the confusion, I wonder whether the Senator from North Carolina would agree to temporarily lay his amendment aside until there would be an opportunity for Senator JAVITS and myself and the Senator from North Carolina to go over the language, to make sure that in no way it undercuts the Jackson amendment but implements the Jackson amendment. Under these circumstances, we might be able to straighten it out.

Mr. HELMS. I will be glad to do that, Mr. President.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to amendment.

Mr. HELMS. Mr. President, I believe the Chair stated that the amendment is withdrawn.

Mr. JAVITS. Temporarily laid aside.

The PRESIDING OFFICER. The Chair did state that, and that is the Chair's understanding, but the Senator from North Carolina is entitled to call up the amendment at any time he wishes.

Mr. HELMS. Very well.

AMENDMENT NO. 2063

Mr. RIBICOFF. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 61, line 8, immediately after "service industries", insert "retailers.".

Mr. RIBICOFF. Mr. President, this amendment has been discussed in the Committee on Finance and is really in the nature of a committee amendment. It is agreeable to the managers of the bill. This amendment includes representatives of the American retail industry in the private sector committees which will advise the special representative for trade negotiations.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2064

Mr. RIBICOFF. Mr. President, I have another amendment at the desk which I call up. I have cleared it with the Parliamentarian as to its germaneness.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

Amend Section 201(b)(3) by adding the following subparagraph:

"(C) May, in the case of a domestic producer located in a major geographic area of the United States and serving a market in that area, treat as part of such domestic industry only that segment of the producer located in such geographic area."

Amend Section 203 by adding the following subsection:

"(k) Actions by the President pursuant to this section may be taken without regard to the provisions of Section 126(a) of this Act but only after consideration of the relation of such actions to the international obligations of the United States."

Amend Section 203(g)(2) by striking line 21, page 121 beginning with the words "In addition," through line 3, page 122, and substituting the following:

"In addition, in order to carry out any agreement concluded under subsection (a)(4), (a)(5), or (e)(2) with one or more countries accounting for a major part of United States imports of the article covered by such agreements, including imports into a major geographic area of the United States, the President is authorized to issue regulations governing the entry or withdrawal from warehouse of like articles which are the product of countries not parties to such agreement."

Mr. RIBICOFF. Mr. President, I have discussed this amendment with the manager of the bill, and it is acceptable to him. The amendment amends title II of the bill so that it further defines the concept of "industry" for the purpose of the escape clause.

This provision would make clear that the International Trade Commission may, in the exercise of its discretionary authority, under the escape clause, treat as the domestic industry the industry located in a major geographic market area and serving a market in that area.

For example, if a problem of importation of shoes came about, having a major impact on the New England area but not having an impact on the shoe industry in St. Louis or Kansas City, the Commission could take this into account in the escape clause.

Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield myself 2 minutes.

On behalf of the Senator from Washington (Mr. JACKSON) I ask unanimous consent that the following staff members have the privilege of the floor during the consideration of this measure: Dorothy Fosdick, Richard Perle, Tina Silber, and Charles Horner.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2045

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 142, line 11, immediately before "after", insert "before or".

Mr. ROBERT C. BYRD. Mr. President, the present language of section 238(c)(2) provides that a relocation allowance may be paid to an adversely affected worker only after the filing of an application. However, if a worker relocates immediately after he becomes adversely affected under this chapter, but before he has been certified as eligible to apply for adjustment assistance, he is not eligible for relocation allowances. This has the effect of penalizing the adversely affected worker who acts to obtain suitable employment elsewhere prior to filing his application for such allowance.

The amendment I am proposing, if adopted, would eliminate this harsh result, providing that a relocation may occur prior to or subsequent to filing an application for relocation allowance.

I have discussed this amendment with the distinguished manager of the bill, and I understand he is willing to accept it. It has also been cleared with the ranking Republican Member.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

AMENDMENT NO. 2046

Mr. ROBERT C. BYRD. Mr. President, I have another amendment at the desk; ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD's amendment (No. 2046) is as follows:

On page 141, line 6, strike out the period and insert in lieu thereof the following: "or (in the case of a worker who has been referred to training by the Secretary) within a reasonable period of time after the conclusion of such training period".

Mr. ROBERT C. BYRD. My second amendment would liberalize section 237(b)(3) of the committee reported bill which relates to job search allowances for workers.

The present language of section 237(b)(3) would limit job search allowance to a period ending 1 year after total separation. However, in view of the fact that the overall eligibility period is 3 years, and training may take longer than a year, the 1-year limitation in section (3) seems too short. A worker enrolled in job training would be denied job search allowances if his training were for more than 1 year after his last total separation, and he did not file an application within this period.

My amendment, if adopted, would allow an adversely affected worker to ap-

ply for job search allowances within a reasonable period after the conclusion of such training. I believe that consideration should be given to lengthening the eligibility period so that it is more consistent with the general 3-year eligibility period for readjustment allowances under this chapter.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from Louisiana and the Senator from Utah.

Mr. BENNETT. Mr. President, may I ask that when these amendments are reported, they be reported by number? We are trying to follow them, and are unable to do so. All those amendments that do have a number.

The PRESIDING OFFICER (Mr. NUNN). The Chair is informed that some of the amendments, having been submitted this morning, do not have numbers, but the clerk will state the numbers of those that do have.

Mr. DOMENICI. Mr. President, it has been some time since Congress last acted on trade legislation. In fact, the last major trade bill to become law was the Trade Expansion Act of 1962. Authority from that act expired in 1967—some 7 years ago. Although President Johnson in the Trade Expansion Act of 1968 and President Nixon in the Trade Act of 1970 attempted to secure more negotiating authority, both were unsuccessful.

The trade bill being discussed today would give the President broad authority to negotiate world trade agreements; to provide relief to workers, industries, and communities adversely affected in our own country by imports; to trade with Communist countries; to give preferences to imports from developing countries; and to deal with balance-of-payments deficits and surpluses.

Not since World War II has this Nation faced such serious economic problems. At home, we are confronted with the highest rate of inflation since 1947 coupled with the highest rate of unemployment since 1961. Current predictions suggest that by mid-1975, we will be experiencing the highest rate of unemployment since the great depression.

The international economy is equally troubled. Although we are large and self-sufficient in many ways, we cannot ignore the importance or the impact of the international economy. Even during the 1930's, a time when we were much less tied to the world economy, the highly protectionist Smoot-Hawley tariff exacerbated the already debilitating effects of the great depression.

Since our last time of economic troubles, our ties with the world economy have multiplied. U.S.-based multinational corporations are heavily invested in almost every market economy in the world. The advent of the multinational bank and the growth of the Eurodollar market have made us increasingly subject to fluctuations in the world money markets. During the post-World War II period, international trade has flourished. With that growth has come increasing American dependence on foreign sources of certain basic raw materials—chrome, platinum, tin, bauxite, and oil.

In the midst of all this uncertainty, the President has relatively few tools that he can use. Many circumstances are beyond our control, but the President has traditionally been able to move forward on the international trade front. But even here, the President finds himself virtually without authority.

Make no mistake about the degree of turmoil in the international economy. The seeds for change were sown in the very makeup of the postwar economy. As part of its effort to reconstruct Europe and Japan, the United States consciously set rules of international trade that favored the then-devastated industrial countries. Although not specifically constructed for dollar dependence, the international monetary system quickly grew to depend on the dollar for the kind of international liquidity that permitted growth in world trade and investment.

Pressured by continued balance of payments deficits and a steadily eroding surplus on the merchandise trade account, President Nixon finally acted in 1971. The dollar was effectively devalued and convertibility to gold was ended. Further devaluations and currency adjustments followed.

International negotiations, however, were well along toward creating a new financial system when the industrial world was stunned by rapidly rising oil prices. The cost of oil worsened the problems of worldwide inflation and confronted the world with an unprecedented flow of currencies. Estimates of the 1974 net income of the OPEC countries range as high as $55 to $60 billion. With that much money available for investment, financial markets are understandably apprehensive.

The success of the OPEC countries has also acted as a beacon for other, third world, raw material producers. For example, of particular concern to the United States has been the International Bauxite Association. Founded in early March of 1974, the IBA membership accounts for some 63 percent of world bauxite production.

The IBA has not yet taken concerted action to follow the OPEC lead. Jamaica, however, was quick to seek greater revenues from bauxite production as well as increased participation in the industry itself. Jamaica is a major producer of bauxite ore and supplies some 60 percent of U.S. bauxite imports. All the major American aluminum producers—Alcoa, Reynolds, and Kaiser—operate in Jamaica as does Alcan of Canada.

Although domestic American production of alumina bearing ores may be a viable long run substitute, existing dependency coupled with major capital investments in Jamaica forced the companies to go along. The result has been higher prices for American consumers and a sharp reminder that the terms of raw material trade may be turning against the United States.

In the midst of such uncertainty in international trade and finance, there is a desperate need for United States to resume her post World War II leadership of the non-Communist industrialized world. Trade agreements alone will not be panacea, but they will help prevent a ruinous trade war that could turn a recession into a real depression. The President must be well armed both to open up new trade opportunities and to prevent unfair competition from harming the American economy.

President Ford recently reminded us in a speech urging the speedy passage of this trade bill that "these times call for positive, constructive American leadership." These are times for decisive actions. America dare not, can not, turn her back on the world economy. Beyond the ugly political price that a depression in Europe might bring, we are now too dependent, too inextricably linked with the world economy to chose any other course. Passage of new trade negotiating authority is a must if America is to move securely and confidently into the economic future.

AMENDMENT NO. 2012

Mr. President, I call up my amendment No. 2012, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an amendment numbered 2012.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI's amendment (No. 2012) is as follows:

On page 264, after line 18, insert the following:

"SEC. 409. FURNISHING OF INFORMATION ON AGRICULTURAL COMMODITIES.

"(a) On or after the date of the enactment of this Act, products from any nonmarket economy country shall not be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), such country shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

"(1) has failed to enter into an agreement with the United States providing for a mutual exchange on a regular basis of information, including forward estimates, on production, comsumption, demand, and trade of major agricultural commodities; or

"(2) is not fulfilling an agreement described in paragraph (1),

and ending on the date on which the President determines that such country is no longer in violation of paragraph (1) or (2).

"(b) After the date of the enactment of this Act, (A) products of a nonmarket economy country may be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), (B) such country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (C) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1)

or (2) of subsection (a). Such report with respect to such country shall include information as to the nature and scope of the agreement described in paragraph (1) of subsection (a) with such country and the implementation of such agreement by such country and the United States. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter so long as such treatment is received, such credits or guarantees are extended, or such commercial agreement is in effect.

"(c) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of the enactment of this Act.".

On page 90, line 17, strike out "'402(b)' (b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 262, line 24, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 90, line 17, strike out "'402(b)' or '403(b)'" and insert "'402(b)', '403(b)', or '409(b)'".

Mr. DOMENICI. Mr. President, I submit this amendment in behalf of myself, Senator BARTLETT, and Senator HUMPHREY. I might say for my colleagues they might want to speak a few moments on it, so if they have not arrived when I have finished, I would ask for an opportunity to get them to the floor as soon as possible. I do not intend to delay, but I would like to have them given a few moments to get here to speak on it.

Mr. President, amendment No. 2012, which I am offering today to the Trade Reform Act, would prohibit the granting of most-favored-nation treatment, Government-backed credits, or commercial agreements to any nonmarket economy country which:

First, fails to enter into an agreement with the United States providing for a mutual exchange on a regular basis of information, including forward estimates, on production, consumption, demand, and trade of major agricultural commodities; or

Second, fails to fulfill an agreement of the type I have described above.

This amendment would be prospective only and would not apply to nonmarket economy countries which have already been granted most-favored-nation treatment.

This amendment would also require the President to submit a report to Congress indicating that any nonmarket economy country seeking most-favored-nation treatment is not in violation of either of the two provisions which I have previously mentioned.

This amendment is offered as a result of a resolution recently passed at the World Food Conference in Rome, Italy. The resolution to which I refer calls for the establishment of a worldwide food information and early warning system. This resolution was proposed by the Food and Agriculture Organization of the United Nations to establish a centralized method for collecting worldwide facts on the types and quantities of crops planted, exports and imports of agricultural commodities, changes in the weather and expected crop yields.

For many years the FAO has operated a system of regular reporting by member governments as part of its commodity market intelligence system services and for its statistical publications. The early warning system for food shortages was established in 1968 and since then FAO and world food program field staff send in monthly data from over 70 countries.

However, in spite of all these activities, the existing supply of this type of information at the international level does not permit timely identification of many of the crop shortfalls which it should be possible to predict. If all nations would cooperate in this system—including the Soviet Union and China, which treat agricultural information as state secrets—approaching shortages can be identified early and food-relief missions could avoid the delays which have lead to thousands of deaths in previous situations of this type.

In light of all this, we must also recognize the significance of newly emerged markets, Russia and the People's Republic of China in particular, appearing as big customers for U.S. farm products almost overnight. Russian purchases from the United States increased fivefold in 1973. U.S. farm exports to China jumped from a level of nothing in 1972 to $210 million in 1973 and then quadrupled in 1974.

The Soviet Union can have a heavy impact on our markets because of wide fluctuations in its own markets and because of its State-controlled buying operations. Western analysts have noted that buying decisions of State-controlled trading agencies are less subject to changes in prices and supplies than are those of private traders.

In June of 1973, the United States and the Soviet Union signed an agreement providing for cooperation in the field of agriculture. The wording in my amendment which specifies the type of information to be exchanged is taken directly from that original agreement.

In May of this year the United States-U.S.S.R. Joint Working Group on Agricultural Economic Research and Information agreed to broaden the scope of their exchange program. The plan of work included proposals for eight U.S. teams to visit the Soviet Union in 1974 and about the same number in 1975. The Soviets proposed sending a total of seven teams to the United States by the end of 1975.

However, in August a team of experts who had gone to the Soviet Union to gather information on that country's 1974 grain crop, was called home by the U.S. Government, because Moscow rejected most of its travel itinerary. Although this amendment will apply to all nonmarket countries, with respect to the Soviet Union we would simply be demanding that they comply with an agreement which they have already entered into.

As we are all aware, the 1973 agreement did not prevent recent secret trading by the Soviets which led to White House action that first blocked and then cut back two large purchases of grain.

The capacity of the United States and other governments to contend with food shortages, particularly in cooperation with each other, depends to a large extent on the availability of accurate information describing the current and prospective crop and food situation. The majority of countries participating in the World Food Conference agreed that if we are to solve the many problems involved in food production and distribution, the availability of this type of information is an essential first step. I think it is only proper the United States require the exchange of this type of pertinent data before granting special privileges to any nonmarket economy country.

I would like everyone to note that the wording of my amendment which specifies the type of information to be exchanged is taken directly from the original agreement executed by the United States and the U.S.S.R. For those who will wonder whether we are placing a mandate upon those countries which they could not comply with, or which might greatly interfere with détente, I call ot their attention that there already is such an agreement, which the U.S.S.R. and the United States have signed.

The point of it is that we must now accede to their failure to live up to it to the extent that they can supply such information, and then we proceed from them to any other countries in the world which could have a significant impact on the food market.

It appears to me that since the United States and Canada have a completely open set of facts, such a provision would be in order.

One final comment with reference to the amendment, Mr. President. This would once and for all, if implemented, eliminate the speculation in the minds of the American consumers as to whether or not huge acquisitions of farm products produced in America by other countries are made in a bona fide manner, because of their need, and it would eliminate speculation that they are playing with our commodities market. I am firmly convinced that this can be implemented, and that it would be a giant stride toward accomplishing what the world wants. The information would be furnished to us, and thus be as public as ours, and until a world system is set up, I believe the second best thing we can get is for the United States to have the information under a bona fide agreement.

I reserve the remainder of my time.

Mr. BARTLETT. Mr. President, I am pleased the managers of the trade bill have agreed to accept Senator DOMENICI's amendment, which will facilitate and insure a gerater exchange of agricultural statistics and data among the food-producing nations of the world.

The production of food and the feeding of hungry people is too important for any country to attempt to play politics with these production figures.

Until now, the Soviet Union has handled their agricultural information with secrecy which would do credit to the Manhattan project.

Under Senator DOMENICI's bill, of which I am pleased to be a cosponsor, no country which refuses to furnish the

United States, on a mutual basis crop estimates, production, consumption, demand and trade figures, will be eligible for most-favored-nation status.

At the recent World Food Conference in Rome, Russia assured us they were ready to begin an era of openness on this vital information. I hope they are to be believed. Senator DOMENICI's amendment will insure that they cannot take advantage of American trade concessions and on the other hand refuse to cooperate.

For years American agriculture information has been available for all the world to see. It is time for Russia to join the 20th century.

Mr. HUMPHREY. Mr. President, I join in sponsoring amendment No. 2012 to the trade bill, H.R. 10710.

The amendment would forbid granting most-favored-nation status, Government-backed credits, or commercial agreements to any nonmarket nation which, first, fails to enter into an agreement with the United States for the mutual exchange on a regular basis of basic argricultural information such as forward estimates, consumption, demand and trade, and second, fails to live up to an agreement as outline above.

The World Food Conference in Rome passed a resolution in November recommending the establishment of a world agricultural information system.

The world food shortages and the threats of starvation mean that we vitally need such a system.

At a time when there was plenty of food and we had ample reserves, it was easy to be casual. That day is past. We now need sound information and on a timely basis.

This amendment will facilitate the exchange of such information, and it is needed without delay.

Mr. LONG. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. BROCK. Mr. President, I ask unanimous consent that Mr. John Backer, of my staff, have the privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so desired.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Is the time for a quorum call counted against the time of a Senator?

The PRESIDING OFFICER. The Chair is informed that a quorum call is not considered debate, but if unduly called for, it could be charged against the time.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2000

Mr. JACKSON. Mr. President, I call up my amendment No. 2000, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) for himself, Mr. RIBICOFF, and Mr. JAVITS, proposes an amendment, No. 2000.

The amendment is as follows:

On page 247, line 15, strike out "(c)" and insert "(e)", and after line 14, insert the following:

"(c)(1) During the 18-month period beginning on the date of the enactment of this Act, the President is authorized to waive by Executive order the application of subsection (a) and (b) with respect to any country, if he reports to the Congress that—

"(A) he has determined that such waiver will substantially promote the objectives of this section; and

"(B) he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

"(2) During any period subsequent to the 18-month period referred to in paragraph (1), the President is authorized to waive by Executive order the application of subsections (a) and (b) with respect to any country, if the waiver authority granted by this subsection continues to apply to such country pursuant to subsection (d), and if he reports to the Congress that—

"(A) he has determined that such waiver will substantially promote the objectives of this section; and

"(B) he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

"(3) A waiver with respect to any country shall terminate on the day after the waiver authority granted by this subsection ceases to be effective with respect to such country pursuant to subsection (d). The President may, at any time, terminate by Executive order any waiver granted under this subsection.

"(d)(1) If the President determines that the extension of the waiver authority granted by subsection (c)(1) will substantially promote the objectives of this section, he may recommend to the Congress that such authority be extended for a period of 12 months. Any such recommendation shall—

"(A) be made not later than 30 days before the expiration of such authority;

"(B) be made in a document transmitted to the House of Representatives and the Senate setting forth his reasons for recommending the extension of such authority; and

"(C) include, for each country with respect to which a waiver granted under subsection (c)(1) is in effect, a determination that continuation of the waiver applicable to that country will substantially promote the objectives of this section, and a statement setting forth his reasons for such determination.

"(2) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c)(1), such authority shall continue in effect with respect to any country for a period of 12 months following the end of the 18-month period referred to in subsection (c)(1), if, before the end of such 18-month period, the House of Representatives and the Senate adopt, by an affirmative vote of a majority of the Members present and voting in each House and under the procedures set forth in section 153, a concurrent resolution approv- such resolution does not name such country as being excluded from such authority. Such authority shall cease to be effective with respect to any country named in such concurrent resolution on the date of the adoption of such concurrent resolution. If before the end of such 18-month period, a concurrent resolution approving the extension of such authority is not adopted by the House and the Senate, but both the House and Senate vote on the question of final passage of such a concurrent resolution and—

"(A) both the House and the Senate fail to pass such a concurrent resolution, the ing the extension of such authority, and authority granted by subsection (c)(1) shall cease to be effective with respect to all countries at the end of such 18-month period;

"(B) both the House and the Senate pass such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 18-month period; or

"(C) one House fails to pass such a concurrent resolution and the other House passes such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 18-month period.

"(3) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c)(1), and at the end of the 18-month period referred to in subsection (c)(1) the House of Representatives and the Senate have not adopted a concurrent resolution approving the extension of such authority and subparagraph (A) of paragraph (2) does not apply, such authority shall continue in effect for a period of 60 days following the end of such 18-month period with respect to any country (except for any country with respect to which such authority was not extended by reason of the application of subparagraph (B) or (C) of paragraph (2)), and shall continue in effect for a period of 12 months following the end of such 18-month period with respect to any such country if, before the end of such 60-day period, the House of Representatives and the Senate adopt, by an affirmative vote of a majority of the Members present and voting in each House and under the procedures set forth in section 153, a concurrent resolution approving the extension of such authority, and such resolution does not name such country as being excluded from such authority. Such authority shall cease to be effective with respect to any country named in such concurrent resolution on the date of the adoption of such concurrent resolution. If before the end of such 60-day period, a concurrent resolution approving the extension of such authority is not adopted by the House and Senate, but both the House and Senate vote on the question of final passage of such a concurrent resolution and—

"(A) both the House and the Senate fail to pass such a concurrent resolution, the authority granted by subsection (c)(1) shall cease to be effective with respect to all countries on the date of the vote on the question of final passage by the House which votes last;

"(B) both the House and the Senate pass such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 60-day period; or

"(C) one House fails to pass such a concurrent resolution and the other House passes such a concurrent resolution which names such country as being excluded from such authority, such authority shall cease to be effective with respect to such country at the end of such 60-day period.

"(4) If the President recommends under paragraph (1) the extension of the waiver authority granted by subsection (c)(1), and at the end of the 60-day period referred to in paragraph (3) the House of Representa-

tives and the Senate have not adopted a concurrent resolution approving the extension of such authority and subparagraph (A) of paragraph (3) does not apply, such authority shall continue in effect until the end of the 12-month period following the end of the 18-month period referred to in subsection (c)(1) with respect to any country (except for any country with respect to which such authority was not extended by reason of the application of subparagraph (B) or (C) of paragraph (2) or subparagraph (B) or (C) of paragraph (3)), unless before the end of the 45-day period following such 60-day period either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of the Members present and voting in that House and under the procedures set forth in section 153, a resolution disapproving the extension of such authority generally or with respect to such country specifically. Such authority shall cease to be effective with respect to all countries on the date of the adoption by either House before the end of such 45-day period of a resolution disapproving the extension of such authority, and shall cease to be effective with respect to any country on the date of the adoption by either House before the end of such 45-day period of a resolution disapproving the extension of such authority with respect to such country.

"(5) If the waiver authority granted by subsection (c) has been extended under paragraph (3) or (4) for any country for the 12-month period referred to in such paragraphs, and the President determines that the further extension of such authority will substantially promote the objectives of this section, he may recommend further extensions of such authority for successive 12-month periods. Any such recommendation shall—

"(A) be made not later than 30 days before the expiration of such authority;

"(B) be made in a document transmitted to the House of Representatives and the Senate setting forth his reasons for recommending the extension of such authority; and

"(C) include, for each country with respect to which a waiver granted under subsection (c) is in effect, a determination that continuation of the waiver applicable to that country will substantially promote the objectives of this section, and a statement setting forth his reasons for such determination. If the President recommends the further extension of such authority, such authority shall continue in effect until the end of the 12-month period following the end of the previous 12-month extension with respect to any country (except for any country with respect to which such authority has not been extended under this subsection), unless before the end of the 60-day period following such previous 12-month extension, either the House of Representatives or the Senate adopts, by an affirmative vote of a majority of the Members present and voting in that House and under the procedures set forth in section 153, a resolution disapproving the extension of such authority generally or with respect to such country specifically. Such authority shall cease to be effective with respect to all countries on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority, and shall cease to be effective with respect to any country on the date of the adoption by either House before the end of such 60-day period of a resolution disapproving the extension of such authority with respect to such country.".

On page 75, line 9, strike out "section 152" and insert "sections 152 and 153".

On page 75, line 19, strike out "section 152 (a)" and insert "sections 152(a) and 153 (a)".

On page 94, after line 14, insert the following:

"SEC. 153. RESOLUTIONS RELATING TO EXTENSION OF WAIVER AUTHORITY UNDER SECTION 402.

"(a) CONTENTS OF RESOLUTIONS.—For purposes of this section, the term 'resolution' means only—

"(1) a concurrent resolution to the two Houses of the Congress, the matter after the resolving clause of which is as follows: "That the Congress approves the extension of the authority contained in section 402(c)(1) of the Trade Reform Act of 1974 recommended by the President to the Congress on ———, except with respect to ———.', with the first blank space being filled with the appropriate date and the second blank space being filled with the names of those countries, if any, with respect to which such extension of authority is not approved, and with the except clause being omitted if there is no such country; and

"(2) a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: "That the ——— does not approve the extension of the authority contained in section 402(c) of the Trade Reform Act of 1974 recommended by the President to the Congress on ——— with respect to ———.', with the first blank space being filled with the name of the resolving House, the second blank space being filled with the appropriate date, and the third blank space being filled with the names of those countries, if any, with respect to which such extension of authority is not approved, and with the with-respect-to clause being omitted if the extension of the authority is not approved with respect to any country.

"(b) APPLICATION OF RULES OF SECTION 152; EXCEPTIONS.

"(1) Except as provided in this section, the provisions of section 152 shall apply to resolutions described in subsection (a).

(2) In applying section 152(c)(1), all calendar days shall be counted, and, in the case of a resolution related to section 402 (d)(4), 20 calendar days shall be substituted for 30 days.

"(3) That part of section 152(d)(2) which provides that no amendment is in order shall not apply to any amendment to a resolution which is limited to striking out or inserting the names of one or more countries or to striking out or inserting an except clause, in the case of a resolution described in subsection (a)(1), or a with-respect-to clause, in the case of a resolution described in subsection (a)(2). Debate in the House of Representatives on any amendment to a resolution shall be limited to not more than one hour which shall be equally divided between those favoring and those opposing the amendment. A motion in the House to further limit debate on an amendment to a resolution is not debatable.

(4) That part of section 152(e)(4) which provides that no amendment is in order shall not apply to any amendment to a resolution which is limited to striking out or inserting the names of one or more countries or to striking out or inserting an except clause, in the case of a resolution described in subsection (a)(1), or a with respect to clause, in the case of a resolution described in subsection (a)(2). The time limit on debate on a resolution in the Senate under section 152(e)(2) shall include all amendments to a resolution. Debate in the Senate on any amendment to a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such amendment, the time in opposition thereto shall be controlled by the minority leader or his designee. The majority leader and minority leader may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any amendment. A motion in the Senate to further limit debate on an amendment to a resolution is not debatable.

(c) CONSIDERATION OF SECOND RESOLUTION NOT IN ORDER.—It shall not be in order in either the House of Representatives or the Senate to consider a resolution with respect to a recommendation of the President under section 402(d) (other than a resolution described in subsection (a)(1) received from the other House), if that House has adopted a resolution with respect to the same recommendation.".

On page 94, line 15, strike out 153" and insert 154".

On page 94, line 18, after "302(a)," insert "402(d),".

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. JACKSON. Yes.

Mr. ROBERT C. BYRD. I ask unanimous consent that if there is a roll-call vote on the Jackson amendment, it not occur before the hour of 2:15 today.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, it has been 2 years since I first offered an amendment to the trade bill conditioning eligibility for trade concessions on respect for the right to emigrate.

Mr. President, after a long and often difficult road, I am pleased that an agreement has been reached on emigration from the Soviet Union that should do much to advance the cause of human rights—to reaffirm on the part of the American people the commitment to individual liberty that has made this nation a symbol to men and women everywhere.

I believe that we have reached a fair and productive compromise. We have agreed upon an unprecedented measure to bring the blessings of liberty to those brave men and women who have asked only for the chance to find freedom in a new land. We have acted on behalf of those of all faiths, of all religions—on behalf of artists and dancers, workers and students, the educated and the unskilled.

The agreement we have reached, which is contained in an exchange of letters between myself and the Secretary of State and printed in the Senate Finance Committee report on the trade bill, should signal an end by the U.S.S.R to punitive actions against persons wishing to emigrate. It provides that no unreasonable impediments will be placed in the way of persons wishing to emigrate. It stipulates that applications for emigration will be processed in order without discrimination on the basis of race, religion, national origin, professional status, or place of residence. It promises sympathetic and expeditious processing of hardship cases.

It provides that persons imprisoned, who, prior to their imprisonment, expressed an interest in emigrating will be

given prompt consideration for emigration upon their release; and it states that sympathetic consideration may be given to the early release of these unfortunate persons.

The agreement is based on, and the Secretary's letter conveys, the assumption that the rate of emigration from the U.S.S.R. will begin to rise promptly from the 1973 level—and that it will continue to rise to correspond to the number of applicants. And as my letter to the Secretary states:

> We would consider a benchmark—a minimum standard of initial compliance—to be the issuance of visas at the rate of 60,000 per annum; and we understand that the President proposes to use the same benchmark as the minimum standard of initial compliance.

If the agreement is implemented in good faith, the actual number will exceed 60,000 per annum since there is abundant evidence of a current backlog in excess of 130,000, new applications are submitted daily, and the agreement calls for the number to rise to correspond to the number of applicants.

The agreement provides that the Soviet leadership will give "sympathetic consideration and response" in the event that we have indications that these criteria and practices are not being applied.

In reaching this agreement, negotiated over the last several months, we have developed a set of guidelines appropriate for the purpose of determining whether eligibility for trade benefits extended to the U.S.S.R. should be continued beyond an initial period of 18 months. The understandings and interpretations, contained in my letter to the Secretary of State, have been accepted by the President as among the considerations to be applied by the President in assessing performance under this agreement. The two letters taken together are a tribute to the perseverance of my fellow Senators and Congressmen and the spirit of cooperation on this issue that we have enjoyed from the first days of the Ford presidency.

Mr. President, the trade bill that is now before the Senate incorporates language in title IV that places a number of restrictions on the extension of most-favored-nation treatment to nonmarket economies. Moreover, title IV as passed by the House and reported out of the Senate Finance Committee restricts the participation of nonmarket economies in programs of the Government of the United States that extend credits, credit guarantees, or investment guarantees. In the case both of credit programs and the extension of most-favored-nation treatment, title IV sets a simple standard: a recipient nonmarket economy must not deny its citizens the right or the opportunity to emigrate, nor can it impose more than nominal taxes, fees, levies, or fines on persons who wish to emigrate, or as a condition for obtaining an exit visa.

I describe the standard in title IV as simple, because there are no qualifying words or phrases that would authorize the President to extend MFN or credits to any nonmarket economy that denies a citizen the opportunity to emigrate or that imposes more than nominal charges in connection with emigration. I believe it is clear—and clearly understood in both the Congress and the executive branch—that under the provisions of title IV as passed by the House and affirmed by the Senate Finance Committee, no nonmarket economy covered by title IV could at present qualify for MFN or credits.

I believe, Mr. President, that it is important to understand the nature of the freedom of emigration language of title IV as passed by the House for two reasons: First, the restrictions in title IV have been incorporated in the trade bill now before us with respect to any country that does not qualify for a waiver of those restrictions under the conditions set forth in an amendment I propose to offer to title IV, amendment No. 2000. And, second, the freedom of emigration restrictions in title IV will continue to limit the authority of the President if the Congress, according to the procedures set forth in amendment No. 2000, should vote to discontinue any waiver authority it might choose initially to enact.

HISTORY OF THE AMENDMENT

The amendment was first introduced in the Senate—with 76 cosponsors—on October 4, 1972, in connection with the East-West Trade Relations Act, a measure which would have granted the President the authority to grant MFN tariff treatment to nonmarket economy countries not yet enjoying the privilege. Following the Soviet-American trade agreement of October 18, 1972, the administration decided to seek this authority in title IV of the omnibus trade reform legislation—then designated H.R. 6767—introduced in the House of Representatives. My colleagues will recall that, on April 10, 1973, the amendment was then reintroduced in the Senate, to be taken up whenever the Senate acted on the trade bill. I would like at this point to include for the RECORD the names of the 78 Senate cosponsors of the Jackson amendment:

COSPONSORS OF JACKSON AMENDMENT ON EAST-WEST TRADE AND FREEDOM OF EMIGRATION

(Introduced to the Trade Reform Act on April 10, 1973)

Mr. Jackson, Mr. Ribicoff, Mr. Magnuson, Mr. Javits, Mr. Buckley, Mr. Gurney, Mr. Bayh, Mr. Hollings, Mr. Humphrey, Mr. Dole, Mr. Packwood, Mr. Percy, Mr. Kennedy, Mr. Tunney, Mr. Williams, Mr. Roth, Mr. Hugh Scott, Mr. Taft, Mr. Allen, Mr. Baker.

Mr. Beall, Mr. Bentsen, Mr. Bible, Mr. Biden, Mr. Brock, Mr. Brooke, Mr. Harry F. Byrd, Jr., Mr. Robert C. Byrd, Mr. Cannon, Mr. Case, Mr. Chiles, Mr. Church, Mr. Clark, Mr. Cook, Mr. Cotton, Mr. Cranston, Mr. Domenici, Mr. Dominick, Mr. Eagleton, Mr. Fannin.

Mr. Fong, Mr. Goldwater, Mr. Gravel, Mr. Hansen, Mr. Hart, Mr. Hartke, Mr. Haskell, Mr. Helms, Mr. Huddleston, Mr. Hughes, Mr. Inouye, Mr. Johnston, Mr. Long, Mr. McClellan, Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Mathias, Mr. Metzenbaum, Mr. Mondale.

Mr. Montoya, Mr. Muskie, Mr. Nunn, Mr. Pastore, Mr. Pell, Mr. Proxmire, Mr. Randolph, Mr. Schweiker, Mr. Sparkman, Mr. Stennis, Mr. Stevens, Mr. Stevenson, Mr. Symington, Mr. Talmadge, Mr. Thurmond, Mr. Tower, Mr. Weicker, Mr. Young.

A companion measure, with Congressman CHARLES A. VANIK, of Ohio, as the principal cosponsor, was introduced in the House of Representatives.

There can be no question, Mr. President, about the intent of the Congress in its subsequent deliberations concerning title IV. The House-passed language was approved December 11, 1973, by a vote of 319 to 80, a clear and decisive result. I believe that when the history of this congressional initiative comes to be written, the cosponsors of this legislation will be able to look with satisfaction upon their determined and principled fidelity to our own highest values and the practical effectiveness of invoking the legislative process to uphold and defend these values where they have been threatened.

As my colleagues know, the administration flatly opposed, and organized an abortive but prolonged effort to defeat, the freedom of emigration restrictions now incorporated in the bill before us. The wide gulf that separated the Congress from the administration on the issue of how best to encourage freer emigration from the Soviet Union and other nonmarket economies began to narrow early this year when the administration reconciled itself to the need for compromise. By that time more than a year had been lost during which the repeated and articulated willingness of the congressional sponsors of the freedom of emigration amendment to discuss alternatives to a lengthening impasse had been greeted, not by negotiation, but by confrontation.

Only after a change in administration policy that resulted in the first reluctant approaches from the administration early this year did negotiations aimed at the reconciliation reflected in amendment No. 2000 get underway. Early this year I put forward a proposal setting forth the general outlines along which a compromise aimed at breaking the deadlock between the two branches of Government might be negotiated. At each subsequent exchange the congressional sponsors of the freedom of emigration amendment made every effort to expedite the agreement that was ultimately reached on October 18, 1974—more than 2 years after the Jackson amendment was originally proposed and more than 6 months after the first submission to the administration of my proposal to reconcile our differences.

THE OCTOBER 18 EXCHANGE OF LETTERS

With this background, I wish to comment on my exchange of letters with Secretary of State Kissinger—an exchange finalized, after detailed negotiation, on October 18, 1974.

The two letters that constitute this exchange are integrally related to each other. The agreement between the administration and the Congress contained in these letters can neither be understood nor interpreted by reference to either letter alone. At every stage of the deliberations that produced the compromise of October 18 the subject matter of the two letters was under consideration. The agreed text of these letters was developed in concert after much

give-and-take on both sides. I emphasize this point because the Congress, at the end of the 18-month waiver of the freedom of emigration restrictions contained in title IV, will have to consider whether Soviet performance pursuant to the undertakings and interpretations in these letters warrants a further extension of the President's authority to waive sections (a) and (b) of section 402. Moreover, I believe it is essential if we are to make the sort of progress toward the objective of free emigration that is envisioned in this exchange that the Soviets understand the basis upon which the Congress will evaluate the implementation of the agreement of October 18.

Broadly speaking, Mr. President, the letter written by Secretary of State Kissinger on behalf of the administration conveys assurances that he has received from Secretary Brezhnev, Foreign Minister Gromyko, and Ambassador Dobrynin as to the criteria and practices that will henceforth govern emigration from the Soviet Union. As Secretary Kissinger has pointed out, these assurances do not take the form of a formal agreement between the United States and the Soviet Union. But the assurances in Secretary Kissinger's letter are no less solemn, no less binding, and no less significant, because of the form in which they have been conveyed from Soviet representatives to President Ford and Secretary Kissinger and from President Ford and Secretary Kissinger to the Congress.

The assurances conveyed in Secretary Kissinger's letter are broad and inclusive. Thus, our Government has been assured that punitive actions against individuals seeking to emigrate from the U.S.S.R. will "not be permitted by the Government of the U.S.S.R." Included among the punitive actions that will not be permitted are "various kinds of intimidation or reprisal," among which three examples are specifically indicated: the firing of a person from his job, his demotion to tasks beneath his professional qualifications, and his subjection to public or other kinds of recrimination. Clearly these three examples do not begin to exhaust the list of past or potential punitive actions. The use of the term "various kinds of intimidation or reprisal" makes it plain that all such devices aimed at discouraging individuals from emigrating through punitive means will not be permitted.

"INTIMIDATION AND REPRISAL"

In order to identify further what is intended under the heading of "various kinds of intimidation or reprisal," my letter to Secretary Kissinger of October 18, 1974, includes the following passage:

> It is our understanding that the punitive actions, intimidation or reprisals that will not be permitted by the government of the U.S.S.R. include the use of punitive conscription against persons seeking to emigrate, or members of their families; and the bringing of criminal actions against persons in circumstances that suggest a relationship between their desire to emigrate and the criminal prosecution against them.

This paragraph was incorporated in the exchange of letters because punitive conscription and trumped-up criminal proceedings have frequently been employed as "punitive actions," within the meaning of the phrase in Secretary Kissinger's letter, to discourage or prevent emigration. Without this understanding as a part of our correspondence—as well as the several others in my letter—I could not have consented to offer amendment No. 2000.

There is, however, an important distinction to be drawn between Secretary Kissinger's letter to me and mine to him; it is this: The Soviet authorities limited their specific assurances to those contained in Secretary Kissinger's letter to me. The interpretations of those assurances in my letter to Secretary Kissinger, while integral to the compromise and firmly rooted in the language in Secretary Kissinger's letter, are in the form of an agreement between the administration and the Congress. They will form the basis on which Congress will exercise its review authority and on which the administration will base its representations to the Soviets in the course of implementing the agreement and its recommendations to the Congress for any further waiver of the provisions of sections (a) and (b) of Section 402.

One could well argue, Mr. President, that the interpretations and understandings in my letter to Secretary Kissinger are, in several instances, redundant—clearly punitive conscription constitutes "punitive action" and punitive action is clearly ruled out by Secretary Kissinger's letter to me. The same might be said of the bringing of criminal actions against persons wishing to emigrate as a consequence of their effort to emigrate. The second paragraph of my letter to Secretary Kissinger is an elaboration of the substance of the understanding therein; I felt it desirable, in several instances, to add a measure of specificity to the exchange of letters so as to minimize the likelihood of disagreement between the Congress and the administration at some future date. There is no question, Mr. President, that the action taken against Alexander Feldman in sentencing him to jail last year was utterly inconsistent with the understanding we have achieved and with the assurances conveyed in Secretary Kissinger's letter as well as my letter of response. I cite this as one example because it is so blatant, and because it is precisely the sort of behavior to which I have reference in the second paragraph of my letter.

"NATIONAL SECURITY"

Mr. President, there is an additional point in my letter to Secretary Kissinger that warrants special attention. This point has to do with the interpretation of the fifth paragraph of Secretary Kissinger's letter in which he writes:

> We are informed that there are limitations on emigration under Soviet law in the case of individuals holding certain security clearances, but that such individuals who desire to emigrate will be informed of the date on which they may expect to become eligible for emigration.

In order to interpret this provision it is necessary to refer to paragraph four of Secretary Kissinger's letter and to paragraph four of my letter. Paragraph four of Secretary Kissinger's letter states that—

> No unreasonable or unlawful impediments will be placed in the way of persons desiring to make application for emigration . . . including (obstacles) frequently employed in the past.

Among the obstacles "frequently employed in the past" is the denial of visa applications on the grounds of national security. Paragraph four of my letter seeks to make this clear and explicit:

> We understand that the special regulations to be applied to persons who have had access to *genuinely sensitive classified information* will not constitute an unreasonable impediment to emigration. In this connection we would expect such persons to become eligible for emigration within three years of the date on which they last were exposed to sensitive and classified information.

It is clear that Congress and the administration have agreed that "national security" will not be employed as an obstacle, an excuse, a subterfuge to circumvent the provision against unreasonable impediments, and we have agreed that the criterion to be applied in judging this is "access to genuinely sensitive classified material." In no event would "national security" justify detaining for more than 3 years a person who has had access even to "genuinely sensitive classified material" after the date on which he was last exposed to such sensitive and classified information. Without this understanding no compromise would have been possible, because the excuse of national security has become the most common device by which applications to emigrate are denied. I know that my colleagues would wish to have this clearly stated prior to any vote to affirm the grant of waiver authority in amendment No. 2000.

THE ISSUE OF NUMBERS

Although I referred earlier to the issue of the number of visas that we expect to flow from this agreement, there has been sufficient confusion in the press on this matter to justify some further comment. The basic understanding on numbers of visas is contained in paragraph nine of Secretary Kissinger's letter. According to paragraph 9:

> The rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants.

Thus we anticipate both an immediate increase to the 1973 rate of around 35,000 per year followed, with the implementation of the practices and procedures set forth in Secretary Kissingers' letter and my response, by a continuing increase until the number of visas corresponds to the number of applicants. In other words, as we move into implementation of the agreement, we would expect that if there are 75,000 applicants there will be 75,000 visas, if there are 100,000 applicants there will be 100,000 visas, and so on. The number of visas can

thus be determined only by the number of applicants.

THE DIMENSIONS OF CONGRESSIONAL CONCERN

In reporting the trade legislation for the Senate's consideration, the Committee on Finance stated the following:

It is the Committee's understanding that the "Freedom of Emigration" amendment in the bill is intended to encourage free emigration of all peoples from all communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country).

This proper explanation of the purposes of the amendment is underscored in Secretary Kissinger's letter to me, in which he conveys the Soviet assurance that—

Applications for emigration will be processed in order to receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant.

The report of the Finance Committee also states:

Each communist country which enters into a bilateral commercial agreement with the United States will be expected to provide reasonable assurances that freedom of emigration will be a realizable goal.

This expectation is given the force of law in amndment No. 2000, where it is expressly provided that the waiver authority can be used only after the President has received the appropriate assurances. The only country which has thus far conveyed such assurances is the Soviet Union. It is obvious therefore that, before the President can waive the provisions of sections (a) and (b) of section 402 and grant MFN tariff treatment and eligibility for U.S. Government credits or credit guarantees to any other nonmarket economy country, understandings—appropriately comparable to those reached with the Soviet Union—must be mutually agreed upon.

The following cases represent but a fraction of the number of individuals directly affected by title IV of the trade legislation. The circumstances and background of these individuals are diverse indeed, but whatever their national and religious heritage, whatever moves them to seek to emigrate, they are affected equally by what Congress and the administration have done—and will continue to do—to realize the objectives of title IV:

Stanislav Karnitsky, who married an American citizen in Moscow in June 1974, is being frustrated by Soviet authorities in his efforts to make application to emigrate. His wife, a resident of my home state of Washington, is expecting their first child in three months and is anxious to have her husband with her.

Vitaly Rubin, a 51-year old Soviet specialist in ancient Chinese philosophy, was forced to leave his teaching post, as was his wife, when they applied to emigrate. During the almost three years since Rubin first applied, he has been threatened with prosecution, and harassed by the KGB, Rubin still lives in constant jeopardy.

Nicholas Rosko, a Massachusetts-born American citizen who was taken to Russia as an infant in the 1920's by his Russian immigrant parents, has been unable to secure permission from the Soviet government to return to the United States with his wife and child. His American brother and other relatives in the United States have stepped up their efforts in his behalf over the past three years, but without success.

Felicija Valanciene of Vilnius, Lithuania, was separated from her husband during World War II under tragic circumstances. Her husband, Kostas Paulius, made his way to the United States and has been an American citizen since 1956. They have not given up their efforts to be reunited in the United States despite the repeated refusals of Soviet authorities to grant Mrs. Valenciene an exit visa. As Mr. Paulius wrote to me in a recent letter, "we still have many dreams."

Dr. Isaac Poltinnikov, a well-known ophthalmologist, his, wife, and daughter, applied to emigrate to Israel more than two years ago. Since applying he has been deprived of his pension, and his wife and daughter have been imprisoned for a time. The family is still in Novosibirsk, unable to obtain an exit visa.

Maripa Jurgutiene, a Lithuanian woman who is seeking exit permission for herself and her 11-year-old daughter to join her husband in the United States, has been forced to give up her employment as a librarian and has been warned by Soviet authorities that she will receive a six-year prison term if she persists in her requests to emigrate. Her husband, formerly a professor at the State Conservatory of Music in Vilnius, Lithuania, escaped to the West in May 1974 and is now a resident of Chicago.

Mark Azbel, a 42-year old physicist, applied to emigrate to Israel two years ago. He was then forced to resign his research post and forfeit his salary; his writings have been banned from Soviet scientific journals and his books withdrawn from Soviet libraries. Professor Azbel has been invited to teach at the University of Washington. He still awaits approval of his application to leave the USSR.

Secretary Kissinger explained in his recent testimony to the Senate Committee on Finance that with respect to the Eastern European countries, our Government has already entered into discussions with Romania with a view toward securing assurances which would qualify Romania for the conditional waiver under amendment No. 2000. I would like to stress that in addition to several thousand Romanian Jews who are known to wish to emigrate to Israel, there are many other Romanian Jews who are also waiting for permission to emigate to Western nations, and among them several hundreds who are seeking to be reunited with families in the United States. One such case involves Karin and Jacqueline-Zoe Mironescu of Bucharest, the wife and 8-year-old daughter of Stefan Mironescu, an employee of the American National Red Cross who came to the United States in 1972 and is a permanent resident. Despite numerous efforts on behalf of his family—including representations by the American National Red Cross—the Romanian Government is still refusing to grant them exit permits. Mr. Mironescu began a hunger strike in Washington, D.C., earlier this week. Another particular hardship case concerns the Massong family in Timisoara, Romania, who have been seeking in vain to join their American relatives here for 3 years. New representations have been made to the Romanian Government in their behalf in light of a serious illness in their American family, but so far in vain.

THE QUESTION OF GOOD FAITH

Mr. President, this agreement, which I believe to be a great step forward in the enduring struggle for human rights, can only operate in the interest of improved United States-Soviet relations if it is implemented in good faith. I pray that this will prove to be the case. Obviously the opportunities for bad-faith circumvention are numerous. No agreement can be drafted to prevent the maneuverings associated with bad faith.

If the Soviets fail to live up to the letter and the spirit of this agreement the basis of trust and confidence that is essential to the whole range of our relations will be destroyed. We will be watching closely—not just at the days and weeks preceding the expiration of the 18-month waiver, but day by day from this moment on. Violations of the spirit or the letter of this agreement in the early days cannot be compensated for with belated compliance later. The record of the whole period will be before the Senate 18 months from now.

AMENDMENT NO. 2000

Mr. President, consistent with the understanding that has been achieved, I call up my amendment No. 2000. This amendment, which permits section (a) and (b) of section 402 to be waived under certain conditions, has the following principal features:

Beginning with the date of enactment of the bill, the President has authority to waive requirements of Section 402 for 18 months for any country after he has received assurances that the emigration practices of that country will lead substantially to the achievement of the objectives of section 402. It is understood that the President will inform the Congress of his expectations, based on the assurances received, of how the emigration practices of that country will, during the period of the waiver, lead substantially to the achievement of the objectives of section 402.

Eighteen months after the date of enactment of the bill, the waiver may be renewed upon the adoption of a concurrent resolution extending the authority for 1 year. If an extension is desired, a request shall be made by the President no later than 30 days prior to expiration of the 18-month period.

In the event that the Congress has not voted on a resolution of approval by the end of the 18-month period, the waiver authority will be extended for up to 60 days after the end of the 18-month period to permit the Congress additional time to act on the concurrent resolution. If the vote on the resolution of approval fails in both Houses, the waiver authority expires.

In the event that Congress within 60 days after the expiration of the 18-month period does not adopt or disapprove a concurrent resolution on the issue of extending the authority, the authority will nevertheless continue in force unless either House of Congress—with 45 calendar days of the expiration

of the 60-day period—passes a simple resolution of disapproval of the continuation of the waiver authority.

The waiver may be further extended by Executive order at 1-year intervals upon a Presidential determination and report to Congress that such extension will substantially promote the objectives of section 402, provided that neither House of Congress—within 60 calendar days of the issuance of the Executive order—adopts a resolution of disapproval of the extension.

The statutory language permits the concurrent resolution or the simple resolution of disapproval to exclude one or more countries from the extensions of the waiver authority. Resolutions may be amended to include or exclude any particular country.

Finally, any extension of waiver authority will not apply to any country which has been excluded in a concurrent resolution or in a resolution of either House.

Mr. President, I cannot conclude my remarks without first expressing my deep appreciation to the 78 Members of the U.S. Senate who cosponsored the amendment. May I just say that their support played an invaluable part in the negotiating process which, I think, will be historic if the Russians show good faith and if they comply.

Mr. President, I want to single out two Senators, the senior Senator from Connecticut (Mr. RIBICOFF) and the senior Senator from New York (Mr. JAVITS), who participated in the negotiations over a long period of time with the Secretary of State and, finally, with President Ford. Their help meant the difference, in my judgment, in working out the kind of agreement that is now before the Senate. Their counsel, their advice, their support was, as I said, invaluable.

Over on the House side Congressman VANIK showed great and effective leadership. His task was the pioneering task in the Ways and Means Committee and then again on the floor of the House of Representatives.

Through his able leadership, with the support of other of our colleagues in the House, the House was able to pass the amendment by an overwhelming margin, which made our task in the Senate a lot easier.

So I want to acknowledge the support, the tremendous support, of my two colleagues in the Senate, and the able Congressman from Ohio, Mr. CHARLES VANIK, a member of the Ways and Means Committee, for his role in the House of Representatives.

Now, Mr. President, I would like to include in the RECORD the exchange of letters, dated October 18, 1974, between myself and Secretary of State Henry A. Kissinger.

In addition, I would like to include an open letter to Congress by Andrei Sakharov which had been placed in the RECORD earlier but should be placed in the RECORD again at this point. It was dated September 14, 1973. It was and is a courageous and historic statement.

I would then like to include a statement to the Finance Committee by Hans J. Morgenthau in connection with his appearance before that committee, a statement on most-favored-nation status by Bishop James S. Raasch, general secretary of the U.S. Catholic Conference, and a series of editorials. I ask unanimous consent to include this material in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCHANGE OF LETTERS BETWEEN SECRETARY KISSINGER AND SENATOR JACKSON

OCTOBER 18, 1974.

DEAR SENATOR JACKSON: I am writing to you, as the sponsor of the Jackson Amendment, in regard to the Trade Bill (H.R. 10710) which is currently before the Senate and in whose early passage the administration is deeply interested. As you know, Title IV of that bill, as it emerged from the House, is not acceptable to the administration. At the same time, the administration respects the objectives with regard to emigration from the U.S.S.R. that are sought by means of the stipulations in Title IV, even if it cannot accept the means employed. It respects in particular your own leadership in this field.

To advance the purposes we share both with regard to passage of the trade bill and to emigration from the U.S.S.R., and on the basis of discussions that have been conducted with Soviet representatives, I should like on behalf of the administration to inform you that we have been assured that the following criteria and practices will henceforth govern emigration from the U.S.S.R.

First, punitive actions against individuals seeking to emigrate from the U.S.S.R. would be violations of Soviet laws and regulations and will therefore not be permitted by the government of the U.S.S.R. In particular, this applies to various kinds of intimidation or reprisal, such as, for example, the firing of a person from his job, his demotion to tasks beneath his professional qualifications, and his subjection to public or other kinds of recrimination.

Second, no unreasonable or unlawful impediments will be placed in a way of persons desiring to make application for emigration, such as interference with travel or communications necessary to complete an application, the withholding of necessary documentation and other obstacles including kinds frequently employed in the past.

Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant. Concerning professional status, we are informed that there are limitations on emigration under Soviet law in the case of individuals holding certain security clearances, but that such individuals who desire to emigrate will be informed of the date on which they may expect to become eligible for emigration.

Fourth, hardship cases will be processed sympathetically and expeditiously; persons imprisoned who, prior to imprisonment, expressed an interest in emigrating, will be given prompt consideration for emigration upon their release; and sympathetic consideration may be given to the early release of such persons.

Fifth, the collection of the so-called emigration tax on emigrants which was suspended last year will remain suspended.

Sixth, with respect to all the foregoing points, we will be in a position to bring to the attention of the Soviet leadership indications that we may have that these criteria and practices are not being applied. Our representations, which would include but not necessarily be limited to the precise matters enumerated in the foregoing points, will receive sympathetic consideration and response.

Finally, it will be our assumption that with the application of the criteria, practices, and procedures set forth in this letter, the rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants.

I understand that you and your associates have, in addition, certain understandings incorporated in a letter dated today respecting the foregoing criteria and practices which will henceforth govern emigration from the U.S.S.R. which you wish the President to accept as appropriate guidelines to determine whether the purposes sought through Title IV of the trade bill and further specified in our exchange of correspondence in regard to the emigration practices of non-market economy countries are being fulfilled. You have submitted this letter to me and I wish to advise you on behalf of the President that the understandings in your letter will be among the considerations to be applied by the President in exercising the authority provided for in Sec. 402 [1] of Title IV of the trade bill.

I believe that the contents of this letter represent a good basis, consistent with our shared purposes, for proceeding with an acceptable formulation of Title IV of the trade bill, including procedures for periodic review, so that normal trading relations may go forward for the mutual benefit of the U.S. and the U.S.S.R.

Best regards,

HENRY A. KISSINGER.

OCTOBER 18, 1974.

DEAR MR. SECRETARY: Thank you for your letter of Oct. 18 which I have now had an opportunity to review. Subject to the further understandings and interpretations outlined in this letter, I agree that we have achieved a suitable basis upon which to modify Title IV by incorporating within it a provision that would enable the President to waive subsections designated (a) and (b) in Sec. 402 of Title IV as passed by the House in circumstances that would substantially promote the objectives of Title IV.

It is our understanding that the punitive actions, intimidation or reprisals that will not be permitted by the government of the U.S.S.R. include the use of punitive conscription against persons seeking to emigrate, or members of their families; and the bringing of criminal actions against persons in circumstances that suggest a relationship between their desire to emigrate and the criminal prosecution against them.

Second, we understand that among the unreasonable impediments that will no longer be placed in the way of persons seeking to emigrate is the requirement that adult applicants receive the permission of their parents or other relatives.

Third, we understand that the special regulations to be applied to persons who have had access to genuinely sensitive classified information will not constitute an unreasonable impediment to emigration. In this connection we would expect such persons to become eligible for emigration within three years of the date on which they last were exposed to sensitive and classified information.

Fourth, we understand that the actual number of emigrants would rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants, and may therefore exceed 60,000 per

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[1] Statutory language authorizing the President to waive the restrictions in Title IV of the Trade Bill under certain conditions will be added as a new (and as yet undesignated) subsection.

annum. We would consider a benchmark—a minimum standard of initial compliance—to be the issuance of visas at the rate of 60,000 per annum; and we understand that the President proposes to use the same benchmark as the minimum standard of initial compliance. Until such time as the actual number of emigrants corresponds to the number of applicants the benchmark figure will not include categories of persons whose emigration has been the subject of discussion between Soviet officials and other European governments.

In agreeing to provide discretionary authority to waive the provisions of subsections designated (a) and (b) and Sec. 402 of Title IV as passed by the House, we share your anticipation of good faith in the implementation of the assurances contained in your letter of Oct. 18 and the understandings conveyed by this letter. In particular, with respect to paragraphs three and four of your letter we wish it to be understood that the enumeration of types of punitive action and unreasonable impediments is not and cannot be considered comprehensive or complete, and that nothing in this exchange of correspondence shall be construed as permitting types of punitive action or unreasonable impediments not enumerated therein.

Finally, in order adequately to verify compliance with the standard set forth in these letters, we understand that communication by telephone, telegraph and post will be permitted.

Sincerely yours,

HENRY M. JACKSON.

OPEN LETTER TO THE CONGRESS OF THE UNITED STATES FROM ANDREI SAKHAROV

MOSCOW, SEPTEMBER 14, 1973.

At a time when the Congress is debating fundamental issues of foreign policy, I consider it my duty to express my view on one such issue—protection of the right to freedom of residence within the country of one's choice. That right was proclaimed by the United Nations in 1948 in the Universal Declaration of Human Rights.

If every nation is entitled to choose the political system under which it wishes to live, this is true all the more of every individual person. A country whose citizens are deprived of this minimal right is not free even if there were not a single citizen who would want to exercise that right.

But, as you know, there are tens of thousands of citizens in the Soviet Union—Jews, Germans, Russians, Ukrainians, Lithuanians, Armenians, Estonians, Latvians, Turks and members of other ethnic groups—who want to leave the country and who have been seeking to exercise that right for years and for decades at the cost of endless difficulty and humiliation.

You know that prisons, labor camps and mental hospitals are full of people who have sought to exercise this legitimate right.

You surely know the name of the Lithuanian, Simas A. Kudirka, who was handed over to the Soviet authorities by an American vessel, as well as the names of the defendants in the tragic 1970 hijacking trial in Leningrad. You know about the victims of the Berlin Wall.

There are many more lesser known victims. Remember them, too!

For decades the Soviet Union has been developing under conditions of an intolerable isolation, bringing with it the ugliest consequences. Even a partial preservation of those conditions would be highly perilous for all mankind, for international confidence and detente.

In view of the foregoing, I am appealing to the Congress of the United States to give its support to the Jackson Amendment, which represents in my view and in the view of its sponsors an attempt to protect the right of emigration of citizens in countries that are entering into new and friendlier relations with the United States.

The Jackson Amendment is made even more significant by the fact that the world is only just entering on a new course of detente and it is therefore essential that the proper direction be followed at the outset. This is a fundamental issue, extending far beyond the question of emigration.

Those who believe that the Jackson Amendment is likely to undermine anyone's personal or governmental prestige are wrong. Its provisions are minimal and not demeaning.

It should be no surprise that the democratic process can add its corrective to the actions of public figures who negotiate without admitting the possibility of such an amendment. The amendment does not represent interference in the internal affairs of socialist countries, but simply a defense of international law, without which there can be no mutual trust.

Adoption of the amendment therefore cannot be a threat to Soviet-American relations. All the more, it would not imperil international detente.

There is a particular silliness in objections to the amendment that are founded on the alleged fear that its adoption would lead to outbursts of anti-semitism in the U.S.S.R. and hinder the emigration of Jews.

Here you have total confusion, either deliberate or based on ignorance about the U.S.S.R. It is as if the emigration issue affected only Jews. As if the situation of those Jews who have vainly sought to emigrate to Israel was not already tragic enough and would become even more hopeless if it were to depend on the democratic attitudes and on the humanity of OVIR [the Soviet visa agency]. As if the techniques of "quiet diplomacy" could help anyone, beyond a few individuals in Moscow and some other cities.

The abandonment of a policy of principle would be a betrayal of the thousands of Jews and non-Jews who want to emigrate, of the hundreds in camps and mental hospitals, of the victims of the Berlin Wall.

Such a denial would lead to stronger repressions on ideological grounds. It would be tantamount to total capitulation of democratic principles in face of blackmail, deceit and violence. The consequences of such a capitulation for international confidence, detente and the entire future of mankind are difficult to predict.

I express the hope that the Congress of the United States, reflecting the will and the traditional love of freedom of the American people, will realize its historical responsibility before mankind and will find the strength to rise above temporary partisan considerations of commercialism and prestige.

I hope that the Congress will support the Jackson Amendment.

(signed) A. SAKHAROV.

September 14, 1973.

STATEMENT TO THE FINANCE COMMITTEE OF THE U.S. SENATE

(By Hans J. Morgenthau, Leonard Davis Distinguished Professor of Political Science, City College of the City University of New York, Chairman, Academic Committee on Soviet Jewry, April 10, 1974)

A rational consideration of trade between the United States and the Soviet Union must start from the premise that from the very beginning of its history the Soviet Union has regarded foreign trade as being inseperable from foreign policy. It has regarded foreign trade as a weapon of Soviet foreign policy. As Lenin put it in 1921:

"The capitalists of the entire world, and their governments, in the rush of conquering Soviet markets, will *close* their eyes to the above mentioned realities, and will thus become blind deaf mutes. They will open credits which will serve as a support for the Communist Party in their countries and will provide us with essential materials and technology thus restoring our military industries, essential for our future victorious attacks on our suppliers. Speaking otherwise, they will be working to prepare their own suicides."

In 1952, Stalin voiced his confidence in the profit motive of Western businessmen as an instrument through which the Soviet Union would be made strong enough for its final triumph. Khrushchev was equally explicit in 1957. What I said in my testimony before the Senate Foreign Relations Committee in February, 1965, applies today:

"The leaders of the Soviet Union have consistently laid the greatest stress upon the expansion of foreign trade. They have not tried to emphasize what foreign trade can do for private profits and international peace. They have consistently shown a particular interest in whole industrial plants rather than manufactured goods. But the Russian leaders are not Manchester liberals. They have wanted foreign trade not for the commercial purposes our businessmen want it for, but in order to gain the political strength necessary to achieve the universal triumph of Communism. . . . I am not arguing here against Western trade with Communist nations per se. I am only arguing in favor of the proposition that foreign trade has a different meaning for Communist nations than it has for us. Trade with Communist nations is a political act which has political consequences. It is folly to trade, or for that matter to refuse to trade, with Communist nations without concern for these political consequences.

There is, therefore, nothing extraordinary in making benefits in foreign trade dependent upon political concessions on the part of nations whose foreign trade policies serve political processes altogether. Such a linkage is dictated by common sense unless we want to make sure that Lenin's, Stalin's, and Khrushchev's expectations come true. The only legitimate question to be asked concerns the expediency of the political conditions proposed in the so-called Jackson amendment.

The expediency of the Jackson Amendment has been attacked before this committee on three major grounds; that it increases the risk of nuclear war, that it may cause the complete cessation of Jewish emigration from the Soviet Union, and that it tries to interfere with the domestic affairs of the Soviet Union. These arguments are astonishing both in themselves and in view of their eminent source.

It can be taken as common knowledge that nuclear war between the two superpowers has been avoided not by virtue of what a particular diplomatic maneuver accomplished or avoided but because of the nuclear balance of power between the United States and the Soviet Union and because of the remarkable self-restraint with which both superpowers have managed conflicts between them.

The second argument assumes that the emigration policy of the Soviet Union is a mere reflection of United States foreign policy. There is no evidence for such an assumption. It is of course true that the Soviet government is most sensitive to foreign and particularly American, opinion and that it will therefore try to avoid antagonizing that opinion unless it feels it must heed overriding interests to the contrary. Based upon that argument, a case could indeed be made in support of the Jackson Amendment, whose message of disapproval is unmistakable. However, determining the Soviet emigration policy are of course considerations of domestic policy, the most important of which is that the Soviet Union does not mind getting rid of certain categories of troublemakers

and unreliable elements and supposedly unreliable elements regardless of what the United States does or does not do.

The Jackson Amendment does not seek a change in the domestic regime of the Soviet Union. It does not try to introduce, for instance, parliamentary democracy or freedom of speech into the Soviet system. Rather it attempts to give the Soviet Union an incentive to comply with certain fundamental requirements recognized by the Soviet Union itself as legally binding and which have become one of the tests of civilized government.

International peace and order are a function of the balance of power—that is, of an approximately equal distribution of power among several nations or a combination of nations, preventing any one of them from gaining the upper hand over the others. It is this approximate, tenuous equilibrium that provides whatever peace and order exists in the world of nation-states.

But, the equilibrium does not operate mechanically, as the "balance" metaphor would seem to indicate. Rather, it requires a consensus among the nations involved in favor of the maintenance—or, if it should be disturbed, of the restoration—of the balance of power. In other words, the dynamics of the arrangement are embedded in a moral framework without which, in the long run, it cannot operate. The participants must give their moral approval, in theory and more importantly in practice, to the principles of the balance of power itself in order to make it work.

What makes certain domestic policies of the Soviet government a matter of vital concern to the outside world is its refusal to become part of a moral consensus that is the lifeblood for the balance of power, and which would make genuine detente not only possible but well-nigh inevitable. Were the Soviet Union part of such a system, one would indeed not need to care on political grounds about how autocratic and despotic its government might be. But as long as the Soviet Union remains outside such a system, at best indifferent and at worst hostile to it, the rest of the world has a vital interest in certain of its domestic policies. If the Kremlin abated its present totalitarian practices by allowing its people a modicum of freedom of movement, it would be taking the first step toward joining and in a sense re-creating a system that would itself be a manifestation of detente and provide the moral framework for the balance of power.

Thus our interest in the totalitarian excesses of the Soviet government is not unwarranted meddling in the affairs of another sovereign nation in a misguided spirit of liberal reform. Nor does it solely express a humanitarian concern or serve to placate public opinion at home. Foremost, it is at the service of the basic interest which the United States and the Soviet Union have in common: survival in the nuclear age through a viable balance of power and genuine detente.

SEPTEMBER 4, 1974.

STATEMENT REGARDING MOST-FAVORED-NATION STATUS

(Bishop James S. Rausch, General Secretary, United States Catholic Conference)

The June 15, 1973 Congressional testimony by the United States Catholic Conference on U.S. overseas trade acknowledged the need for Congress to address "a host of thorny economic issues," including "the new openings of East-West trade and the related question of most-favored-nation status." The purpose of this statement is to develop the USCC position on this thorny issue.

The recent moves by the United States and the Soviet Union to improve and normalize relations between them may make a significant contribution to a peaceful future. It is expected that the projected exchanges in commercial, scientific and cultural affairs will contribute significantly to the erosion of hostilities between the two nations. Any such action by two powerful "antagonists" has a favorable impact on the total world community.

In addition, however, such overtures will also have impact on the internal affairs of the United States and the Soviet Union as is always the case between trading nations. Because of the magnitude of U.S. involvement globally, our impact on the affairs of other nations is especially great. The United States is obliged to consider the use of power carefully, pursuing her own interests always in the context of the international common good.

As the American Bishops pointed out in their recent Resolution of the Twenty-fifth Anniversary of the Universal Declaration of Human Rights:

"Internationally, the pervasiveness of American power creates a responsibility of using that power in the service of human rights. The link between our economic assistance and regions which untilize torture, deny legal protection to citizens and detain political prisoners without due process is a question of conscience for our government and for each of us as citizens in a democracy."

Consistent with this position, the United States Catholic Conference supported the reestablishment by the United States of the UN approved sanctions against Rhodesian chrome ultimately to cause the white racist regime in Rhodesia to change its policies and guarantee the human rights of the blacks in that country.

By urging the adoption of such measures, it is not suggested that the United States must refashion the internal affairs of all the nations with whom we have relationships—the nation's actions must be appropriate to the conditions and the situation, and not merely be arbitrary, indiscriminate or punitive. By supporting such policies as are clearly intended to promote universal human rights, where these rights are blatantly denied, the United States acts responsibly in the world community.

The current debate about granting most-favored-nation status to the Soviet Union must be examined in this light. The Soviet Union has a long record of alleged practices of repression of its citizens. Recent reports indicate an intensification of these practices, especially against members of Russia's academic, scientific and literary community. Continued efforts in Russia to restrict its citizens' contacts with foreigners are also disturbing.

Most dismaying is the Soviet Union's persistence in violating certain basic human rights which are clearly explicated in the Universal Declaration to which it was a ratifying nation. Specifically, Article 18 states that "everyone has the right to freedom of thought, conscience and religion; this includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance." Despite this declared guarantee, it is repeatedly alleged that in the Soviet Union "restrictions on religious worship are sternly enforced and violations are often subject to severe penalties" (USNWR 9-3-73). Similarly, the practice of religious freedom continues to be in serious jeopardy in many Eastern European countries.

In addition, Article 13 of the Universal Declaration states: "Everyone has the right to leave any country, including his own, and to return to his country." Here again, the Soviet record is apalling. Thousands of Jews, as well as non-Jews, desiring to emigrate are subjected to severe and arbitrary harassment. Such practices clearly violate the basic human rights of the person.

These violations of human rights by the Soviet Union have not gone unnoticed by the international community. A most significant dimension about the Universal Declaration of Human Rights is that by affirming these rights, each of the ratifying nations has made a public commitment not only to its own citizens, but also to the other ratifying nations as well.

We believe the political process of detente should be supported and fostered by all reasonable means. We even are prepared to urge some limited risks in support of the process. However, it should not be pursued in isolation from or to the exclusion of other elements of a humane and constructive foreign policy. Concern for human rights, within our own borders and in all areas of the globe where our power and presence have an impact is a crucial element in such a humane policy.

Consequently, we believe that our nation's commitment to the United Nations as well as to the Universal Declaration of Human Rights, requires that the United States officially express its dismay about the Soviet Union's disregard of these human rights. Further we believe it would be most inappropriate for the United States to enter into trade agreements with the Soviet Union which have the effect of promoting the transfer of merchandise between the two nations with a minimum of impediment, while at the same time it continues to place oppressive restrictions on the movement of persons across its border.

Given this continuing restriction of a basic human right as well as the well-known restrictions placed upon expressions of religious freedom in the Soviet Union and other Eastern European nations, we are urging support of the amendment to the trade bill to prohibited the most-favored-nation treatment and commercial and guarantee agreements to nations which impose excessive fees as a condition to emigration.

[From the San Francisco Examiner, Oct. 23, 1974]

LETTING RUSSIA'S PEOPLE DEPART

The Russian people may be long in learning about it but what promises to be a major advance in their rights as individuals has been won for them by two Americans—a Republican and a Democrat.

President Ford and Sen. Henry Jackson are the men primarily responsible for the Soviet Union's agreement to let its citizens—Jews and others—emigrate, if and when they wish. Further, the Soviet authorities promise not to harass those applying for exit visas.

Although there are apparently no agreed-upon official figures, Senator Jackson said Congress and the President expect at least 60,000 persons to emigrate each year.

In return, the United States will make trade with the Soviet Union easier.

The part of the international arrangement most likely to be followed to the letter is that concerning trade. It is beneficial to both countries and deals with concrete objects that can be seen, touched, weighed.

It will take longer to find out just how the Kremlin keeps the rest of the bargain. The Communist government has a long record of broken promises and treaties. History, in this case, raises some skeptical questions. But the Kremlin has put its international reputation on the line this time in a way that none but the ideologically blind can avoid judging, within and outside Russia.

It would be wrong to prejudge, however. The world will be waiting. And watching.

[From the Los Angeles Times, Oct. 20, 1974]

TRADE AND HUMANITARIANISM

There is every indication now that Congress will enact the omnibus trade bill by the end of this year, and that the legislation will contain the Jackson amendment calling for freer emigration from Communist countries. The result will be new negotiations involving billions of dollars in international commerce, and the opportunity for new lives for tens of thousands of persons.

It has taken two years of stubborn political bargaining to reach this point, in the course of which we have seen the unusual—perhaps unique—sight of an American secretary of state acting as middleman in negotiations not between two foreign powers but between the American Congress and a foreign sovereign state. It has been an arduous, troubled, often bitter process. But in the end it all fell together.

The Soviet Union will get what it so plainly wants and needs: an extension on credits for underwriting expanded trade with the United States, and the same chance for a lowering of trade barriers that other non-Communist countries have.

In return, it will make a concession that, as late as the middle of last week, Soviet leaders were publicly proclaiming would never be made: a change in its internal policies so as to permit expanded emigration and an end to the harassment of Soviet citizens who want to leave.

The Ford Administration will get what it wants a tool for improving relations with the Soviet Union, and broad authority for the President to renegotiate tariff agreement with other countries.

And Congress will get what it has insisted on, under the leadership of Sen. Henry M. Jackson (D-Wash.): an arrangement linking U.S. economic policy to the human rights of persons far removed from the borders of the United States.

There is no formal agreement on the implementation of the aims of the Jackson amendment, only a series of "understandings" between Congress and Secretary of State Kissinger, who transmitted the Soviet government's acceptance and assurances that it will hold up its part of the bargain. If the Russians fail to do so, the trade benefits given them can be canceled after 18 months.

The trade bill, which embraces far more than just expanded economic ties with Communist countries, is of major importance, and the delay in enacting it because of the deadlock over the Jackson amendment has been a cause of concern. But Jackson and his colleagues have stood fast in insisting that humanitarian considerations are important, too.

Their successful fight has been a reminder that while there must be economic interdependence in the world, there must be human interdependence as well.

[From the Watertown (Wis.) Times, Oct. 26, 1974]

SOVIET TRADE EMIGRATION PACT

Had the new Washington-Moscow agreement on Soviet emigration policies been in effect a couple of years ago, Valery and Galina Panov might have been spared their long ordeal. Under terms of this accord, there would have been a good chance for routine approval of the famed Kirov ballet dancers' application for permission to emigrate to Israel.

This is a measure of the significance of the deal whereby an initial minimum of 60,000 departure permits will be issued by Moscow in return for U.S. non-discriminatory tariff treatment. It is a quid pro quo worked out after a two-year effort under the leadership of Sen. Henry M. Jackson of Washington, who deserves great credit for his tenacity in seeing this through.

The agreement also is a measure of the Soviet Union's keen interest in enjoying the trade advantages of "most favored nation" status, Jackson and his allies in Congress had stymied this with amendments making free emigration a precondition for tariff concessions and Export-Import Bank credits. In effect, Moscow's desire for such concessions has forced it to agree to virtually ending its restrictive curbs on emigration.

One of the best things about the agreement is its bipartisan aura. Jackson emphasized this, praising President Ford and Secretary of State Henry A. Kissinger for their part in the negotiations.

The next step will be for Congress to enact the delayed trade measure. Concern naturally arises lest the agreement, which also applies to China and other Communist nations, create a hardship for U.S. industries and workers. A provision in the bill deals with this, giving the president broad authority to assure help for those hurt by foreign competition. Also, under an amendment offered by Jackson there will be an opportunity for review; after 18 months Congress can either approve or disapprove a one-year extension.

The outcome is gratifying. It serves the long-term national interest, and at the same time reaffirms our country's championing of basic human rights.

[From the Washington Star-News, Oct. 23, 1974]

AN HISTORIC UNDERSTANDING

There is unusual cause for satisfaction in the understanding reached between Soviet authorities and two branches of the American government on trade and emigration. The result should be speedy enactment of the administration's trade bill—stalled in Congress for two years because of opposition to Soviet emigration policies. It should also mean a much better break for some 230,000 Soviet Jews and others who have faced the most blatant official harassment in their efforts to leave the country.

Senator Jackson and his colleagues deserve great credit for their stubborn fight to liberalize Soviet emigration policies in return for trade concessions from this country. For most of the time, their efforts were stoutly resisted by the White House and State Department as futile or worse. As recently as last week, Soviet party boss Leonid Brezhnev was inveighing against "utterly irrelevant and unacceptable" attempts to interfere in the internal affairs of his country. In recent weeks, however, it has been clear that the Russians were prepared to make concessions. And Secretary of State Kissinger was successful in nailing down an understanding in talks with Soviet authorities here.

At the same time, one must point out that the only formal, written agreement that exists is between the administration and the Congressional leaders. In an exchange of letters with Senator Jackson, Kissinger spelled out his understanding of assurances he had received from the Russian representatives, promising an end to punitive action and other restrictions to emigration. In reply, Jackson added a few conditions of his own, including a figure of 60,000 emigration permits a year as a "minimum standard of initial compliance" by the Soviet authorities. On the Russian side, the agreement is entirely unofficial—and so far as is known, much less precise.

There is, to be sure, a safeguard against the Russians failing to live up to their end of the bargain. The granting of most-favored-nation status to the Soviet Union and other trade benefits is assured only for the first 18 months after passage of the trade measure. Thereafter it would be subject to yearly review by Congress, with the implicit threat that restrictions will be remiposed if the emigration policies are not liberalized as expected.

This is, in our view, a wise precaution. The commitments are vague enough on the Russian side that very little can be taken for granted. We share Senator Jackson's hope that the agreement does, in fact, represent "an historic understanding in the area of human rights" and a move toward genuine international détente. But that will depend on how this most unusual understanding works out in practice.

[From the Kansas City Star, Oct. 22, 1974]

EMIGRATION PACT A VICTORY FOR DECENCY—AND DÉTENTE

For two years Sen. Henry Jackson and his allies in the U.S. Senate and House held their ground doggedly against a frustrated Richard Nixon and an irritated Soviet leadership on the issue of freer emigration from the Soviet Union.

A major trade bill that contained, among other things, trading and credit concessions to the Soviets was stalled and then forced onto the shelf. The administration rebuked the legislators for frustrating its policies and denying the authority needed to revise commercial relations not only with the U.S.S.R. but Japan and Europe as well. The Kremlin growled ominously that American stubbornness on the emigration issue could wreck detente.

Many in this country, weaned on the long record of Soviet intransigence, believed that the effort to lower the Soviet exit bars, especially for the Jewish minority, was—however meritorious—a hopeless enterprise. By mid-1973, however, lopsided majorities in both the House and Senate had been won over to Senator Jackson's view. In their judgment the Russians wanted the liberalized trade terms in the most urgent way. And in a world where very little is free, they would sooner or later pay the price.

That judgment has now been vindicated by the agreement which Senator Jackson says assures the unobstructed exit of 60,000 or more Soviet citizens a year—nearly twice the number allowed to emigrate in any previous year. Under the pledge elicited from the Russians, harassment of those seeking exit permits—whether in the form of official *ad hoc* punishment—will be terminated. Emigration head taxes will remain suspended. And special effort will be made to expedite the processing of hardship cases.

Western observers estimate that, of more than 3 million Jews in the Soviet Union, only a fraction—perhaps 300,000—actively wish to migrate to Israel or the West. If that appraisal is correct, the wish of all of them could be fulfilled by the end of this decade.

The agreement provides that Congress may terminate its tariff and credit concessions any time after 18 months if, in its judgment the Soviets are not keeping their end of the emigration bargain. In the end there will be one irrefutable measure of that: The number of those who actually do exit, and the stories those emigrants tell of their treatment during the time their applications were being processed.

This should not be seen narrowly as a victory for the U.S. or a Soviet defeat. The Russians are hard bargainers: they understand the use of leverage, and in this instance the leverage belonged to the U.S. Congress. The real victory here is for the minority peoples themselves, and for a very important principle of human decency.

It is also, in its way, an encouraging milestone for detente itself. For in the attempt to date to build better relations with the Soviets, the general perception of many

Americans is that the U.S. has given more than it has gotten in return. In the long run, detente is likely to come to nothing except on a basis of true equity, with both sides prepared to yield. Here, for the first time on an issue of some sensitivity, the Kremlin leadership has demonstrated that readiness. It suggests that other useful compromises may, indeed, be possible.

[From the Lewiston (Maine) Journal, Oct. 21, 1974]

EMIGRATION PACT

In a remarkable handling of an important foreign affairs matter, announcement was made from the White House last week by Sen. Henry M. Jackson of an agreement worked out between the Soviet Union and the United States covering Russian emigration policy and U.S trade policy. The arrangement settled upon calls for an 18-month trial period.

Essentially the compact represents a swap. The Kremlin has agreed to permit a relaxed emigration policy whereby some 60,000 Soviet citizens would be permitted to leave the country. In exchange Moscow receives from the United States certain tariff concessions that will place Russia in a "most—favored nation" status.

Senator Jackson has been a major opponent of granting the Soviet Union this status, basing his opposition to the refusal of the U.S.S.R. to permit its Jewish citizens to emigrate to Israel in any great number. While the Kremlin constantly has maintained its emigration policies were none of the business of the United States—and strictly objective reasoning would suggest they were not—Washington was in a position to require a bargain. Indeed, it was becoming increasingly clear the U.S. Congress would not find a relaxed trading arrangement with Russia acceptable until such time as Moscow modified its tight restrictions on emigration.

The Soviets evidently considered the prospect of increased trade with America sufficiently enticing to enter into the agreement announced by Jackson. Specifically Russia is expected to abide by six points on the matter of emigration. These have appeared in news accounts of the pact, so we shall not repeat them here. Jackson said he considered the six points to represent adequate safeguards.

Now the emigration agreement has been completed the Congress may be expected to enact a trade measure that will assure expanded trade between the Soviet Union and the United States. Previously Jackson and other prominent members of the Senate had prevented this legislation from passing through attaching to it a number of amendments that would have barred the kind of tariff concessions and Export-Import Bank credits necessary to enable enlarged commerce between the two countries.

In this instance the American Congress, with special credit due Jackson and Senators Jacob K. Javits, New York Republican, and Abraham Ribicoff, Connecticut Democrat, was directly instrumental in forcing the Russians to give in on the emigration issue.

[From the New Haven Register, Oct. 22, 1974]

SOVIET TRADE-EMIGRATION DEAL

The humanitarian possibilities, achieved through heartening bi-partisan cooperation, may yet justify the "historic step" claim made by Sen. Jackson as he announced the agreement aimed at ensuring free emigration from the Soviet Union.

The accord came about shortly after it appeared the Soviet Union had rejected it. A few days before the breakthrough, Soviet Party Secretary Brezhnev, in a tough speech, bluntly indicated an unbending attitude by the Soviet toward any linkage of trade with emigration rights.

Such are the complexities of dealing with the Kremlin leaders! What they say for home consumption to shore up the propaganda front could be far from actuality. Even as the agreement was announced in Washington, the Soviet Union had not yet acknowledged being a party to the deal.

Apparently the Kremlin is in no hurry to tell the Russian people that it is willing to liberalize its emigration policies in return for the granting of most-favored-nation trade status by the U.S. It is indeed surprising that the Soviet leadership is willing to go this far to secure trade benefits. The presumption is that the Soviet Union is under a certain amount of pressure because of urgent economic needs that cannot be filled under its State-controlled, rigid system.

While the need remains for hard bargaining in all phases of dealing with the Soviet Union, it would be uncreatively wary not to feel deep satisfaction over this development. The fact that Moscow is willing—for whatever reason—to make a concession to human rights is an upbeat development that will be appreciated throughout the world. The agreement will not only benefit the Jews who want to emigrate, but others in Russia.

The agreement is a triumph of patient negotiations, marked by bi-partisanship that has been so sadly lacking in U.S. foreign policy since before the Vietnam war. Forging the accord was Congress, the Ford Administration and the Soviet Union. It paves the way for congressional passage of major trade legislation and ends a two-year fight by Jackson and others who insisted upon the Soviet emigration concession before making the Kremlin the beneficiary of important economic advantages.

Symbolic of the bipartisan nature of this breakthrough effort was the fact that the Republican-controlled White House made no announcement of its own and all press releases were distributed there by the Democratic Sen. Jackson. The latter was given the use of the White House podium to unveil a six-point agreement outlined in an exchange of correspondence between him and Secretary of State Kissinger.

It took a great deal of cooperation by all political elements to arrive at the agreement. Results of negotiations with the Russians, always complicated and often secret, were continuously passed on by Kissinger to Senators Jackson, Javits and Ribicoff. We have witnessed, in this type of approach, the kind of rapport that has been lacking too often in foreign affairs between the legislative and executive branches of government.

The big question now is whether the Soviet Union will actually live up to the agreement in all aspects. The six points bar certain Soviet tricks—such as punitive action against those seeking to emigrate or the use of unreasonable impediments. It would seem that we have nothing to lose in this matter because if the Soviet leaders start copping out, we can withdraw the trade privileges. Sen. Jackson believes the safeguards are adequate.

Let's hope that this agreement is a sign that detente will result in significant concessions by the Soviet. Until now, the U.S. has been getting very little of real value.

[From the Arkansas Democrat, Oct. 24, 1974]

THE PRICES OF FREEDOM

After two years of what many regarded as an ill-advised mixing of moral and material issues, the U.S. has suddenly triumped in forcing a trade—for—emigration accord on the Soviet Union. International commerce has been made the unlikely instrument of human freedom in this oddest of diplomatic victories.

As all the world knows, we have forced the Russians to pledge free emigration, particularly of Jews, in exchange for our giving the Kremlin a coveted most-favored-nation trade status.

We are shining in the world's eyes as a nation willing to risk not only detente with an old enemy but also our own material interests by perservering in a moral stand on human rights—one dictated by a branch of government that is not even supposed to make foreign policy.

The victory is as instructive for future negotiations with Russia as it is surprising for doubters. It is as odd in its origins at it is unlikely in its principal architects. For it was the unyielding demands not of the White House or of Henry Kissinger but of Congress, preeminently Sen. Henry Jackson, that shaped the accord so many thought could never be.

Congress (with its power to make or unmake international accords) simply forced the role of go-between on Kissinger, who played broker between Sen. Jackson and the Kremlin.

Yet, the U.S. victory is not absolute. For the present we must be content with its shape; for the substance is a matter of Russian good-faith compliance as conditioned by our willingness to insist on that compliance. The Russian leaders do not even publicly acknowledge agreeing to something so packed with implications for human freedom far beyond the issue of Jewish emigration.

It is too much to hope they will honor free immigration except to the extent that it suits their desperate need for trade. We should have no illusions about tutoring them in humanitarianism or of their yielding on freedom beyond the point of ample material returns and their own concerns with keeping order. We know the history of treaties made with the Kremlin.

Freedom with them is simply a negotiable commodity—and freedom's limit will be the point where the volume of demands for emigration seems excessive.

Jews they will part with. Every Soviet Jew has the word "Jew" stamped on his papers—and on his passport if he leaves. The Kremlin visits no such indignity on others of its peoples, but neither is it likely to part with the others so amicably.

Still, as cheap as Jewish freedom is in Soviet eyes, the freedom that we buy for Jews and any others able to emigrate is the best proof of our own values that we can set before the world. The risks of this strange passage in diplomacy were worth taking—the benefits for humankind hopefully more than we can as yet assess.

Mr. JACKSON. I yield to the able Senator from Connecticut.

Mr. RIBICOFF. Before making a general comment, I would like to ask the distinguished Senator a question. Continuously it has been brought up in press reports, comments, and speeches that the Jackson amendment is intended only to help those people in the Soviet Union and other nonmarket countries of the Jewish faith. This is not true.

The Jackson amendment's entire thrust is to help people of all faiths, all creeds, and all ethnic backgrounds who find themselves unable to emigrate because of their personal beliefs or their philosophy. It is not confined to those people of the Jewish faith.

Mr. JACKSON. The Senator is correct.

I can best dramatize the answer to the question by saying that yesterday at noon I had Simas Kudirka in my office to thank me for my efforts in helping to get him out of the Soviet Union. Kudirka comes from Lithuania, he is a gentile, his religion is probably Catholic. It is a Catholic country.

I would point out, too, that the two of the best-known names in connection with this struggle for freedom of emi-

gration happen to be Andrei Sakharov, the noted Russian physicist, and Alexander Solzhenitsyn, both of whom are gentile.

Finally, the amendment itself is addressed to all human beings, regardless of their ethnic or religious origin.

In our exchange of letters we specifically insisted that visas be issued on a nondiscriminatory basis.

I am now quoting from the letter of October 18 addressed to me by Dr. Henry A. Kissinger. This is what he said:

> Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant.

I think that makes it as clear as anything can be and the language of the statutory amendment, of course, makes clear that it applies to all human beings.

Mr. RIBICOFF. Mr. President, while I do appreciate the generous comments made by the Senator from Washington concerning myself and the Senator from New York (Mr. JAVITS), I do want to take this opportunity to express my unstinted praise to the Senator from Washington for his leadership in this entire fight, and I tip my hat to him for his consistent stubbornness.

It is only because the Senator from Washington has been so persistent throughout these past 2 years that we find the Jackson amendment about to become part of the trade bill.

The Senator from Washington is a man who believes that freedom and liberty and justice are indivisible, and to deny freedom or justice to any man or woman anywhere in the world, irrespective of race, color, creed, and religion, is a denial of those rights right here at home.

During this entire period of time of 2 years, in the face of criticism from many quarters, despite weakening will in many quarters, the Senator from Washington has remained firm and consistent.

I want to take this opportunity, too, to pay great praise to the Senator from New York who through this entire 2-year period, with his wisdom and skill and understanding of the overall problems involved, not only in trade, foreign policy, but also in a sense of human decency, made such an outstanding contribution.

I want to take this opportunity, too, of extending great praise to President Ford.

For 2 years the Senator from Washington, Senator JAVITS and myself, through many, many conferences with members of the prior administration and the Secretary of State, it was impossible to get off dead center. But in the first meeting at the White House with President Ford, the President of the United States saw the objective of the Jackson amendment. He understood as a former Member of Congress what had to be done from a legislative point of view.

He put aside any pettiness or quibbling as to language that was being injected by the drafters in the State Department, and he understood the kind of relationship between the executive branch and the legislative branch necessary to work out the Jackson amendment.

The President of the United States added his voice to that of the Senator from Washington and the Senator from New York and myself in discussions with the leaders of the Soviet Union.

I want to take this opportunity to pay a special tribute to President Ford for his constructive contribution to making the Jackson amendment a reality.

This is a most significant day, and it is most significant and a great tribute to two great men, President Ford and Senator JACKSON.

The Secretary of State was faced with great difficulty. I appreciate the position of the Secretary of State in trying to achieve détente. He was patient; he was thoughtful and constructive.

I want to pay tribute to Secretary Kissinger for his contributions toward working out the impasse that had arisen with the Jackson amendments as originally introduced.

I want to conclude with this, Mr. President: while Senators are out in front and take much of the credit, all of us know, realistically, that we have to rely on the hard work of many members of our staff.

During these 2 years Mr. Richard Perle of the staff of Senator JACKSON, Peter Lakeland of the staff of Senator JAVITS, and Mr. Morris Amitay of my staff, worked hard in their research and in the legislative drafting. They were available 24 hours a day, as assistants to the three of us in working out the Jackson amendment.

Senator JACKSON, may I say to you, in the future of mankind, millions of people all over the world will owe their liberty and freedom to Senator HENRY M. JACKSON of the State of Washington.

Mr. JACKSON. Mr. President, may I just simply respond by expressing my appreciation for the generous comments of my friend from Connecticut?

Whatever stubbornness I was able to maintain when it was necessary came from the sustaining support of my two colleagues, the able Senator from Connecticut and the able Senator from New York.

I say that because their counsel and advice was invaluable.

I want to associate myself, too, with the remarks that my good friend from Connecticut made with reference to President Ford and Dr. Kissinger.

I think in all fairness, history should record that there was a turning point with the coming into the negotiations of Gerald Ford. He was of tremendous help. We were stalled, we were at dead center, and he played an invaluable role.

I had my differences with Dr. Kissinger, but he stayed with it and in the end we were able to reach the agreement, and that is the way negotiations are carried on.

I wish to express my deep appreciation to Dr. Kissinger during this long, difficult period of negotiations and discussions.

Mr. President, in all candor, it was the able staff of the three Senators, who did the job. They were led largely by Mr. Richard Perle, of my staff, but Morris Amitay, of Senator RIBICOFF's staff, and Mr. Lakeland, of Senator JAVITS' staff, and he, all worked together as a team. They made our task a lot easier, let us face it, and they provided the professional expertise that resulted in what we were able to do.

I yield to the distinguished Senator from Louisiana.

Mr. HARTKE. Will the Senator yield for 1 minute?

Mr. JACKSON. Yes.

Mr. HARTKE. I join in the tribute paid by the Senator from Connecticut to the Senator from Washington (Mr. JACKSON).

I also wish to point out that my opposition to this trade bill is in no way related to the original Jackson amendment nor the proposal now before the Senate. I endorse that 100 percent. Frankly, I had suggested something in practically the same vein in the March 7 meeting, when Secretary Kissinger was before the Committee on Finance. It is not difficult for me to endorse a proposal I have been in favor of for a long time.

Mr. JACKSON. I thank the senior Senator from Indiana for his comments. No one in the committee worked harder or was more supportive of the amendment, both in the committee and in the Senate, over the period that this matter was pending. I express my deep appreciation.

I yield now to the distinguished Senator from New York.

Mr. JAVITS. I thank my colleague.

I shall take my own time, since our time is limited. I yield myself 5 minutes.

Mr. President, the encomiums heaped upon Senator JACKSON are fully justified, as are the encomiums for our President, President Ford, and for Dr. Kissinger. For my part, Mr. President, I should like to pay a tribute to the principle which animated these discussions and to the triumph of politics which it represents.

The humanitarian principle which animated these discussions is that man does not live by bread alone. I have rarely seen that concept as vividly implemented as in this particular agreement. This effort began in the fall of 1972 when, at a great meeting in New York, I committed myself to this principle of meeting to protest the harassment and inhumanity being shown to Jews in the Soviet Union, who were harassed and persecuted, their only crime being that they wished to go to Israel to rejoin their families.

This whole concept was very deep in the heart of Senator JACKSON. He took it up and implemented it in what has now become the historic Jackson amendment. Mr. President, I know the cynicism which surrounds politicians, and I know the cynicism which surrounded the fact that this cause would be taken up because it was a popular political cause. But, Mr. President, the deep proof of whether it is politics or hardened principle in which we are acting is in how the matter was resolved.

There, the highest degree of statesmanship and understanding was devoted to getting a result rather than perpetuating an issue. To me, Mr. President, this

is the crowning achievement of Senator JACKSON, that he could have simply—he certainly had the right side of this—carried on this issue for months and years to any point that he felt would do him the most political good. On the contrary, I found him the most responsive of anybody—including Senator RIBICOFF and myself—to bringing about the earliest possible determination that was consistent with achieving the results and the principles for which we have fought.

Mr. President, what has been achieved has been a great breakthrough, not alone in principle, but also in politics—for this reason: Mr. President, I believe that this agreement represents the single most important opening to the world which we have seen from the Soviet Union. The real essence of détente is whether or not there is enough trust in the willingness to engage in meaningful negotiations to justify a reliance, at least, upon the negotiating process. It seems to me that this opening to the world is in earnest, reasonably good faith, which the world will endeavor to use, which we, as a country, will endeavor to use, as a precedent for more and further agreement.

This does not mean any blind faith or blind trust. There are plenty of reasons for being hardheaded about what is agreed upon with the Soviet Union or any other Communist country. But, at least, it shows a disposition to negotiate to success, which is critically important in the days ahead in relation to détente, because of the profound humanitarian implications of these millions who felt abandoned in the Soviet Union, abandoned to harassment and repression and inhuman practices, which can only be conceived of in terms of a terrible and bloody anti-Semitic history in that very country, long before it became a Communist country and extending thereafter. Thus, it seems to us, represents a tremendous watershed of change in that regard.

Also, Mr. President, it is a tribute to the fact that Senators can work closely together. I have never seen an enterprise in which Senators worked with the intimacy, with the complete confidence in each other, and with a collaborative contribution by each which was indispensable to the final result. My personal satisfaction derives, I think, mainly from that, as well as from the deep humanitarian implications to the Jewish and other peoples inherent in this amendment.

Mr. President, I wish to emphasize the word "other" in what I have just said. This is especially pertinent to the amendment which Senator HELMS has called up and which has been temporarily laid aside.

It must be a real tribute to Senator HELMS and Senator THURMOND and those who would be with us, because we had that very, very much in mind. Although the plight of Soviet Jewery was very much before us all, and although the harassment and punishments had been mainly laid upon the backs of the Jewish people of the Soviet Union, my colleagues and I would never have dreamed of confining this agreement, either in substance or in form, to anything but all citizens of the Soviet Union. So it applies universally and without restraint or restriction of any kind or character.

Indeed, it will be the crowning achievement for this agreement if it can materially facilitate the exit of other than the Jews of the Soviet Union themselves, who have been the worst punished.

Mr. President, I should like to join with Senator RIBICOFF and Senator JACKSON in their tribute to the President, who showed himself openminded, highly conciliatory, and, indeed, was himself the author of a proposition that, "If we cannot agree upon a specific catechism of words, let us go with what we have and let the Secretary enter into it; the substance is most important, and I have a reliance upon the good faith of the three negotiating parties." Rarely have Senators been regarded by a President with such candor and such cordiality and such trust as was demonstrated in this case.

I am confident that it will not be misplaced, Mr. President, and that the President will be used, as he already has been, in this debate with the utmost fairness.

Mr. President, this agreement would not have been possible—we do not know and it is not necessary for us to know what is the understanding between the President and Secretary Brezhnev. But, Mr. President, I am confident that this agreement would never have been entered into did not the United States have certain reasonable assurances justifying the President's own undertakings in this matter to back it up. For that, Mr. President, we are deeply indebted to the brilliant negotiating skill and the tremendous standing which Dr. Kissinger has attained with his Soviet counterparts. That is a very critically indispensable ingredient of what went into the finality of this agreement.

Mr. President, one point needs to be made very clear of record in the debate, and it arises out of a statement which the President found it necessary to issue on October 21, 1974.

Mr. President, the President went out of his way to make it clear the guidelines and understandings which Senator JACKSON, on behalf of the three of us, proposed to apply when the renewal of the President's waiver authority is considered by Congress, that the administration had agreed only that, as he stated in the Secretary's letter:

> (They) will be among the considerations to be applied by the President in exercising the authority provided for in . . . the trade bill.

But as these assurances, which he felt we had for ourselves, were critically important to our decision, that this was the way to go, it was very necessary to make clear exactly what we had in mind. We made that clear when, in clarifying what we did have in mind, we said that the 60,000 figure in Senator JACKSON's letter is Congress benchmark of initial good faith performance by the Soviet Union in the matters of harassment and taxation against those who wish to leave.

So we expressed it as our view that the 60,000 per annual initial figure given for persons who have applied to emigrate and wish to leave Russia each year remains a solid one, because it is the benchmark which we would apply in the event that the President sought to extend the waiver beyond the first 18-month period.

That was a critically important test, that understanding by the parties of what had been agreed to. I believe that the fact that the agreements survived that test very successfully is a very important augury as to the good faith and—we all pray and hope—the success with which they will be greeted as they mature and develop.

Mr. President, I yield myself whatever additional time I need to complete my statement.

Senator JACKSON has already paid a very well-deserved and highly important tribute to the Senators and the Representatives who have combined under this banner. Not only did they get together in the first instance to endorse the basic principle of the Jackson amendment that it was a legitimate part of our policy that we are going to voluntarily and at our own free will trade with the Soviet Union, to include this determination of human rights and humanitarian opportunity for those who wish to leave the country—for proper reason to leave it—but also, they stayed together, notwithstanding the exigencies and the pressures of oil embargoes and oil shortages and tremendous international difficulties attributable to the vast increase in the oil price. Notwithstanding the fact that the Arabs played the political value of the so-called oil card to the hilt, the Senators and Representatives stayed together.

This is a great tribute, Mr. President, and a matter of tremendous hope for morality and reason and decency in this country and in this world. It is a tribute which I wish to reiterate time and time again. We cannot say it often enough, it is so much a part of the decency and the sense of caring and the sense of responsibility of human life shown at its best in this particular situation.

Finally, Mr. President, it is my belief—I say this to Senator JACKSON, because he certainly knows it—that millions of Americans, Jews and non-Jews alike, will feel as Senator RIBICOFF has just expressed—and I adopt every word of what he said—that this is truly an historic achievement for decency and human rights and the security of minorities; and the fact that the world will not, as it did in the Hitler days, avert its eyes, but does understand and will remember and will insist upon the fact that human decency must be observed as the prime consideration of all government and of all life.

It is one of the most precious experiences of my career to have been associated with Senator JACKSON and Senator RIBICOFF in this very great endeavor.

Mr. JACKSON. Mr. President, I just want to take one moment to again express my appreciation to the distinguished senior Senator from New York for the role he played in what we are

about to finalize in the Senate today. I am deeply grateful.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. RIBICOFF. During the absence from the Chamber of the Senator from Washington, the Senator from North Carolina called up an amendment. He raised the problem of visitation, and he raised the problem of families reuniting. His amendment was temporarily put aside.

While the distinguished Senator from North Carolina and the distinguished Senator from Washington are in the Chamber, I wonder whether they could engage in a colloquy to indicate for the legislative history whether or not the Jackson amendment contemplates the inclusion of the questions raised by the Senator from North Carolina. I dislike making the Senator from North Carolina go through this again, but I think it is important for the legislative history for the Senator from North Carolina to raise this problem with the Senator from Washington, whose amendment is now being considered.

Mr. HELMS. I thank the distinguished Senator from Connecticut.

I am sure that the distinguished Senator from Washington realizes that I was an original cosponsor of his amendment. But my amendment goes beyond the Jackson amendment in certain respects because I feel it is imperative that the United States, as a matter of simple justice, take into account some tragic circumstances which I feel have been overlooked in the Jackson amendment.

For example, the amendment of the Senator from North Carolina requires non-market countries to grant to their citizens the right to visit close relatives in the United States. The amendment of the Senator from North Carolina covers Poland, which the amendment of the Senator from Washington does not, as I understand it. If I am incorrect on any of these points, I will be delighted for the distinguished Senator to correct me.

Mr. JACKSON. Mr. President, I want to praise the distinguished Senator from North Carolina for raising the specific issue of reuniting individuals in nonmarket economy countries with close relatives in the United States.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The Chair advises the Senator that the time is not transferable, except by unanimous consent.

Mr. JACKSON. Does the Senator from North Carolina have the floor?

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 45 minutes.

Mr. HELMS. I believe the rule permits the Senator to respond to my question on my time.

The PRESIDING OFFICER. If the Senator is asking a question, he can respond to that question.

Mr. JACKSON. That is what I am trying to do. It is a question the Senator from North Carolina raised about the amendment. I am trying to explain our amendment.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Is it not the situation that a specific time has been set for a vote on the amendment and that that is the time limitation?

The PRESIDING OFFICER. Not before 2:15.

Mr. JACKSON. Not before.

Mr. TAFT. A vote is scheduled for 2:15. Is that it?

The PRESIDING OFFICER. Not before 2:15.

The Senator from North Carolina is recognized.

Mr. JACKSON. In further response to my good friend's question, I know that he wants to be as specific as possible, and I want to achieve the same objective. The amendment that we have before us includes the reunification of families, much of what he has in mind.

I would point out that the western nations that have been participating in the conference on security and cooperation in Europe, which, as the Senator knows, is now in progress in Geneva, recently achieved success in gainig Soviet agreement on texts which will strengthen people-to-people east-west contacts, including family reunification.

In my judgment, the agreement that we achieved on Soviet emigration practices on October 18 provided a critical boost to western nations in their efforts to gain progress in the area of freedom of movement, and the junior Senator from North Carolina can take pride in this progress as a cosponsor of the pending amendment:

I am concerned that if the language of his amendment, insofar as it relates to visitation, is put in this bill, it might prejudice the agreement that we have already worked out. This has been worked out over a period of more than 2 years; and it is only the concern that I raise in connection with his amendment.

Mr. HELMS. I will say to the distinguished Senator from Washington that the Senator from North Carolina is confident that there is no contradiction or disagreement between our amendments. I will be happy for his and my amendments to be approved, and taken to conference. I trust the conference will retain both amendments, because there is an obvious need for both amendments.

Mr. JACKSON. Suppose we get together and discuss this matter after we vote on the pending amendment. I will be glad to discuss it further with the Senator at that time, and see if we can find a way of resolving it.

Mr. HELMS. Let me say that the distinguished Senator from Washington was not in the Chamber at the time I made my preliminary statement, and for his information I wil repeat one paragraph: I said:

> Moreover, as many Senators are aware, the Conference on Security and Cooperation in Europe has been meeting in Geneva, and only a few days ago has come to a draft agreement with the Soviets on strengthening East-West contacts, including the issue of family reunification. I understand that a text was provisionally registered on December 3 to ease considerably the existing practices on the reuniting of divided families. I think we may conclude, therefore, that the Soviets can have no objection to including the same issue in the Trade Reform Act, since the principle has already been accepted. We must assume that the Soviets intend to abide by this principle. By putting it in the Trade Reform Act, however, we will have a fall-back position in case something should go wrong. The provisional agreement has not yet been finalized.

And I would especially emphasize this to the Senator from Washington:

> By putting some strength behind our diplomacy, we will be supporting those in the bureaucracies and party structures of nonmarket economy countries who have been supporting increased East-West contact. We cannot let them down.

Mr. President, I placed in the RECORD earlier, at the conclusion of my speech earlier this afternoon, several direct quotations by Secretary Kissinger contained in the hearings of December 3, 1974, and a statement from the report of the Committee on Finance of November 26, 1974, page 206.

On December 3, Secretary Kissinger indicated to the members of the committee:

> The Compromise which I have put before the Committee takes great care to maintain the distinctions that we have tried to elaborate while hopefully producing a positive outcome of what we are attempting to achieve, namely increased Jewish emigration.

Then again he said:

> There is no specific reference I believe to Jewish emigration but I think in the legislative history of this matter one would have to say that this has been the primary focus of the conversations.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HELMS. I am delighted to yield to my good friend.

Mr. JACKSON. Might I just say that the facts are, and my colleagues who joined me in those discussions would agree, that over and over again, the clear intent was and is that the statutory language and agreement applies to all human beings, regardless of their ethnic or religious background, and, as I responded earlier to a question by the Senator from Connecticut, the letter from the Secretary makes it clear that it is to be applied on a nondiscriminatory basis.

Mr. HELMS. May I ask the Senator if that letter was not prior to this December 3 testimony, however?

Mr. JACKSON. It was prior, yes. And we are in no way bound by material in that December 3 testimony that is inconsistent with the letters of October 18, 1974.

Mr. RIBICOFF. Mr. President, will the Senator yield at that point?

Mr. HELMS. I am delighted to yield.

Mr. RIBICOFF. If the Senator will look at page 206 of the Finance Committee's report, he will find set out the committee's understanding, as follows:

It is the Committee's understanding that the "Freedom of Emigration" amendment in the bill is intended to encourage free emigration of all peoples from all communist countries (and not be restricted to any particular ethnic, racial, or religious group from any one country).

Mr. HELMS. Mr. President, I will say to the distinguished Senator that I put that in the RECORD. I am aware of it.

Mr. RIBICOFF. What I want to point out is that there was a colloquy in the Finance Committee, raised by one of the members, and I recall responding in the Finance Committee hearings, before which Secretary Kissinger testified, that it was my understanding that this did not apply just to people of Jewish background, but it applied to people of all races, colors, or religious beliefs, and that is why I was very anxious to have a colloquy to put into legislative history what is intended by the Senate of the United States, that the Amendment is not confined to people of Jewish faith.

May I point out further, in the letter to Senator JACKSON from Secretary Kissinger, the following:

Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant.

Throughout the negotiations between Senator JACKSON, Senator JAVITS, and myself, we were most careful, and we repeated time and time again, that it was our intention not to have this merely confined to people of Jewish faith, but to include people of all religious and racial backgrounds.

So we are making legislative history here to indicate that in the agreements, existing and prospective, we are talking about all people, and not just Jews.

Mr. HELMS. The Senator from North Carolina clearly understands the sincerity of the Senator from Connecticut, and commends him. But in response to the inquiry of the Senator from Virginia (Mr. HARRY F. BYRD, JR) as to whether it applied to all citizens of Russia, or just Jewish citizens, Mr. Kissinger said:

Well we were talking about Jewish immigration.

Then he said:

These documents do not specifically refer to those of the Jewish faith, but I think it is a reasonable extrapolation from the RECORD that this was the predominant concern.

He added, in response to a question:

No, there is nothing in that exchange of correspondence (that relates to an emigration matter for a country such as Hungary).

But let me point out, in order to be precise, what it is that the Soviet leaders have described to us. The Soviet leaders have not made an assurance, have not made a commitment to the Government of the U.S.

What we have here is the intent of Congress versus the reality of the negotiations as reported by Secretary Kissinger. I am heartened by the comments of the distinguished Senator from Connecticut, because obviously we are going down the same track. I believe we have an understanding and a desire which are identical. But I seek, through my amendment, to strengthen the negotiators' hands.

I seek to encourage agreement on narrow questions of reunited families, even if no broader agreement is reached. The Soviets have already indicated in Geneva that they are willing to agree to family reunification. I do not want to see this go by the board. I think it is too important to the lives of too many people who are being harassed and intimidated, and suffering even worse fates than that.

Mr. JAVITS. Will the Senator yield?

Mr. HELMS. I yield.

Mr. JAVITS. I simply wish to endorse the assurances given. Any legislative history and any interpretation must yield to the words of the statute. The statute states on page 246, lines 9 and 10, "denies its citizens the right or the opportunity to emigrate." That includes everything. It includes reunion of families and everything else.

Mr. HELMS. I think the Senator may want to check to see if it includes Poland. I believe he will find that it does not.

Mr. JAVITS. Poland already has the most-favored-nation treatment.

It relates not only to most-favored-nation treatment, but also to any program of the Government of the United States which extends credits, credit guarantees, or investment guarantees. Therefore, it would include every Communist country and in much more generic form than the Senator's amendment. There is a difference between the Senator's amendment and the Jackson amendment, but it is not in that area. The difference is visit.

I hope the Senator will understand that we have entered into an agreement. We have entered into an agreement. It is not to help us make an agreement. We have an agreement.

Before the Senator concludes his own views on his own amendment, he should read that agreement. It is right here. He should read it in great detail.

As Senator RIBICOFF said, it expressly rejects and denounces any idea of Jewish emigration as contrasted with any other emigration by the clause which he read. Just as this particular section I have read generically covers every kind of emigration, not just to reunite families.

Finally, I think the Senator should think through this question of visit, because that is a point which would transgress the agreement we have made. That is more than we have been able to work out. I am not arguing for or against it at the moment, except to ask the Senator to review that, particularly because it does represent an element which would negate the agreement we have entered into.

Mr. HELMS. I appreciate the Senator's comments, but I have indeed studied the agreement. I have already thought it through. It is my impression, and the Senator may wish to correct me if I am wrong—but I am not wrong—that the Soviets have already indicated in Geneva that they are willing to agree to family reunification. We ought to hold their feet to the fire. We have a chance here to strengthen the hand of our negotiators, and we ought to do it.

I am not satisfied, frankly, with the testimony of Secretary Kissinger on this matter, the hearings of December 3, or the responses of Dr. Kissinger to questions raised by the committee. I think we ought to nail this down, and now is the time to do it.

Mr. JAVITS. Will the Senator yield for one point?

Mr. HELMS, Yes, gladly.

Mr. JAVITS. You can reconcile what Secretary Kissinger said completely. In the first place, what he said cannot change the law which we passed. I have pointed out that that law is absolute and generic, whether reunion of families or not.

In addition, it is a fact that so much of the discussion, because there were these sensational cases of harassment and punishment, was built around the fact that this is the great pogrom, if you want to call it that, that had to be relieved. But that did not change the basic negotiation and its consummation which related to every kind of emigrant without any regard to race, religion, color, economic or ethnic origin, et cetera.

Mr. HELMS. Mr. President, in view of the development, let me say that I called up my amendment No. 2022 and, as a matter of courtesy I laid it aside so that we could have further discussion.

I would like to ask unanimous consent, Mr. President, if it is possible, and if it is proper, that immediately following the vote on the Jackson amendment we return to the Helms amendment No. 2022, which I laid aside as a matter of courtesy.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New York.

Mr. BUCKLEY. Mr. President, I would like to join with my colleagues in expressing appreciation and gratitude for the extraordinary job done by the Senator from Washington and for his leadership, and also for the work done by the Senator from Connecticut and my senior colleague, in reaching a breakthrough with respect to utilizing the leverage that we have in the trade bill to open the doors of the Soviet Union and the other countries behind the Iron Curtain.

I am also glad that the colloquy we have just listened to, and the statements that have been volunteered earlier by the Senator from Connecticut, emphasize that this amendment applies to all within the Soviet Union, all people in Communist countries, irrespective of religious belief.

My own recent visit to Moscow, just a month ago, satisfies me that the Soviets are totally impartial in the way in which they distribute their harassment, their repression, their torture, their recrimination.

Not only do we have the well-known cases of the thousands of Jews who are

seeking to emigrate to Israel, but I am in possession right now of a list of 6,000 heads of households of ethnic Germans that was presented to me by Dr. Andrei Sakharov. These Volga German families include more than 25,000 men, women, and children who have been seeking the right to emigrate. These happen to be simple people—farmers, miners. They have no state secrets, and they have not been the recipients of costly education. Yet they have been submitted to systematic harassment because they, too, had the temerity to ask to be allowed to leave. I was advised that more than 25 persons are in prison now because they helped compile this list.

In my discussions with Dr. Sakharov, and also with leaders of the dissident Jewish community in Moscow, it was confirmed that the harassments that have been focused on those who have the courage to apply for exit permits has been intensified and broadened since the publication of the exchange of letters between the distinguished Senator from Washington and Secretary Kissinger.

This harassment has taken the form of the disconnection of telephones, thereby cutting off vital means of communication not only within the Soviet Union but also to people in the West, but the loss of jobs, inprisonment on specious charges, and interrupted education.

Also, not only is the individual who is applying for an exit permit subjected to the thousand forms of retaliation available to a totalitarian state, but it is also extended to all those with whom he has come in contact—brothers, sisters, parents, cousins, even friends and employers.

In his letter to Secretary Kissinger, the Senator from Washington said the following:

> It is our understanding that the punitive actions, intimidations or reprisals that will not be permitted by the government of the USSR include the use of punitive conscription against persons seeking to emigrate, or members of their families; and the bringing of criminal actions against persons in circumstances that suggest a relationship between their desire to emigrate and the criminal prosecution against them.

I congratulate the Senator for describing so succinctly some of the principal tools that are employed. I want to emphasize the fact that we have seen an intensification of this kind of harassment since the publication of the letters just a few weeks ago.

The people I talked to showed one common concern, Jew and non-Jew alike. That is that the Soviets may intend, by these and other subtler techniques, to so dry up the source of applications that they will, under the compromise arrangement, enjoy for 18 months all of the benefits of trade with the United States, subsidized at the expense of the U.S. taxpayers, without in fact relaxing their restrictions on emigration. It is feared that 18 months hence, they will say, "We have had only 18,000 applications. We have let 18,000 people out.", and expect the statement to be taken at face value.

Now, what they wanted to know and what they were deeply concerned about because of these fears was whether or not we were establishing under these understandings any kind of mechanism that would monitor compliance on a day-by-day basis. They wanted to know whether it was the intention of the sponsors of this amendment to immediately move, in the event there should be good evidence that there had been violations, for a reimposition of restrictions on credits.

When they were expressing these concerns, I asked, as a practical matter, what means of verification might be available to the Congress. Would we have to rely on official channels, knowing how undependable they could be? I was advised that because of the courage of hundreds, literally hundreds, of individuals throughout the Soviet Union, that if we maintained the proper contacts with underground sources, we could have reasonably accurate numbers on applications; on harassment, if any; on whether or not the applications were being processed expeditiously, and so forth.

I suggested that perhaps, Congress might establish an informal mechanism for maintaining that kind of contact and surveillance, and I was told this would be not only an extraordinarily good idea but an idea that would so reassure the people concerned that it might give them the courage to withstand the increase harassment they expected to be visited upon them.

I would like to ask my friend, the Senator from Washington, whether or not he has in mind the setting up of a system to monitor this means of information outside of the channels offered by the State Department.

Mr. JACKSON. First, Mr. President, I shall respond to the question so that it will come out of the Senator's time. I am running out of time.

I want to take this opportunity to express my appreciation for the Senator's long, continuous support of the amendment from the very beginning and, may I say, very sincere support of the amendment at all times, and I am deeply grateful and in the Senator's debt for that support because, as always, he approaches these problems with great intellectual honesty, and that help make the task of those of us who were more directly involved in the negotiations a lot easier.

I want to pay tribute to the junior Senator from New York for his role in all of this to bring about a bit of freedom. That is what we are talking about.

First, I have the same reservations as the distinguished Senator from New York about the dangers of noncompliance. I am approaching this problem realistically. I am approaching this problem in the hope that this can be a first step if we are to do something about making possible the freer flow of ideas and people across what have been almost impenetrable borders and, therefore, I am not surprised—I am not at all surprised—by the harassment that continues before this arrangement is in formal effect.

I think we must assume that we are going to have disputes about compliance. But I think our response must be an ever-continuing vigilance in seeing that it is enforced and, if it is not, to exercise our rights to veto so that we do have the kind of leverage that is essential.

In the area of enforcement, I understand the State Department will set up a special division to deal with problems arising in connection with compliance or noncompliance. I would plan to introduce an amendment in the new Congress, once the legislation has become law, for an ad hoc subcommittee with a small staff to monitor, to maintain constant surveillance over, what we have agreed to; this would be handled, of course, on a bipartisan basis.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. JACKSON. Yes.

Mr. BUCKLEY. Does the Senator contemplate that, in other words, it would not rely on the State Department to channel the information, but to obtain it independently?

Mr. JACKSON. Yes; it would be completely independent, and it would rely on all sources of information.

As the junior Senator from New York knows, there is an amazing flow of information out of the Soviet Union. It is incredible what these people have been able to do, policed as they are, by the KGB, with all its intricate devices to keep tabs on people. Yet we know that what happens in this body sometimes gets to them in a matter of hours when it is publicly disseminated, and that would be one of the indicators, may I say to the Senator, of whether or not there is a step backward or a step forward.

If we find there is a breakdown in communications, then we will know that the agreement is not being implemented in good faith. To make the legislative history clear, let me read the final paragraph to Dr. Kissinger in my letter of October 18, 1974:

> Finally, in order adequately to verify compliance with the standards set forth in these letters, we understand that communication by telephone, telegraph, and post will be permitted.

I think that makes clear the attitude of the U.S. Senate, the 78 Senators who joined in this effort, and we shall approach it on the basis that it will need that ongoing day-to-day monitoring of what is going on.

I am delighted that the Senator from New York (Mr. BUCKLEY) raised these questions because I think they are questions that are absolutely essential to be answered in order to get the full legislative history of our understanding.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BUCKLEY. Yes.

Mr. JAVITS. I would like to join with Senator JACKSON to pledge our every good faith action to see that in fact as well as in terms, that every single minority in the Soviet Union has the same feeling of confidence that this measure means to them as well as it means to the Jewish minority and, as the Senator has said on that score, in monitoring and oversight, and so forth, I would join in that as a sacred obligation.

Mr. BUCKLEY. Mr. President, I am delighted at these reassurances from the Senator from Washington and from my senior colleague.

I also am delighted that the Senator from Washington is thinking along the same lines I am as to the necessity for establishing such an entity to secure accurate information.

Mr. RIBICOFF. Mr. President, will the Senator yield for just a moment?

Mr. BUCKLEY. Yes.

Mr. RIBICOFF. May I say I would hope he would not press for another special ad hoc committee to do the investigating.

The Senate Permanent Investigating Committee, of which the distinguished Senator from Washington happens to be chairman, has an investigative staff with a lot of experience in that committee, and I see no reason why one of the functions of the Senate Permanent Investigating Committee could not be utilized in order to monitor this agreement with the Soviet Union, and I would hope it would be done that way.

Mr. JACKSON. I want to commend the Senator from Connecticut for making that suggestion. I think all we need to do is to authorize it in the resolution. The distinguished Senator from Connecticut will be the new chairman of the Government Operations Committee, and I would be glad to submit for the Permanent Investigating Committee an amendment of our authority so that it would explicitly include what the Senator from New York has suggested, and I think that would be an excellent suggestion.

Mr. RIBICOFF. The Senator from New York (Mr. JAVITS), the Senator from Washington (Mr. JACKSON), and I happen to be members of the Government Operations Committee, and the Senator can rest assured that we will use that committee constructively without setting up an additional committee.

Mr. BUCKLEY. I am delighted to hear this. I think the suggestion just made makes a great deal of sense.

I would hope, as a matter of courtesy, if nothing else, that the junior Senator from New York might be allowed to sit in on the proceedings.

Mr. President, I would like to ask the Senator from Washington another question, if I may, for purposes of clarification.

In his reply to my original question, the Senator from Washington explained that it was his intent that we proceed on a day-to-day basis, and if it was determined that the Soviets were not acting in good faith, then we could exercise our right of veto.

Now, that suggests that we would be waiting 18 months before taking action even in the face of flagrant abuses. Would he not feel that the Congress should act immediately upon evidence of a practice of harassment after we enact this legislation?

Mr. JACKSON. There are two points I wish to make. One is that in a personal discussion between the President of the United States and myself, the President gave his personal assurance—that if in this 18-month period there is a course of action that is in violation of the agreement, he would act himself to cut off MFW and credits.

May I observe, too, that due to the diligence of the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) we have or will have a handle on credits in connection with the Export-Import Bank.

I believe a conference report is pending in which there is a limitation on the amount that can be made available in loans to the Soviet Union without further congressional authority.

In other words, there is a cutoff, $300 million, I believe is the limit, and it is in the bill.

I commend the Senator further because he acted independently on the Export-Import Bank bill, and I understand the amendment that was in the Export-Import Bank bill is also now in the trade bill, so that we do have an added safeguard against the possibilities referred to by the distinguished junior Senator from New York.

But I have the personal pledge of the President of the United States. It does not need to be in writing. He has given me his word, and I take him at his word. He is an honorable man, and I am confident that he will not hesitate to move during that 18-month period should the Soviets fail to implement the agreement in good faith.

Mr. BUCKLEY. I am delighted to have that knowledge and to know it will be in the RECORD.

As I understand it, then, if during the months of January and February the Soviets do, in fact, continue their present practice of harassment to discourage people from applying for exit permits, then the President will be prepared to terminate the credits?

Mr. JACKSON. Well, I would hope the bill would become law before the first of the year.

I would give the Russians a little bit of latitude, but I would not wait very long.

They have had a lot of lead time. They have known about this amendment for the last 2 years and they should be able to start at once.

So I would expect then, the moment this becomes law, that the basic conditions that have been laid down in the exchange of letters, in the statute, in the colloquies made on this floor which are part of the legislative history, will apply and that the Soviets will carry them out once the law is passed.

Mr. BUCKLEY. Mr. President, again I am delighted with the answer, but I would like to ask the Senator from Washington about one final concern of the people I spoke to so recently, namely, a concern over the 60,000 emigration figure.

Many told me that they felt that this might be converted into a ceiling whereas I was assured that in the Jewish community in Moscow alone, there were hundreds of thousands of people who would take advantage of any liberalization of Soviet policy with respect to emigration.

Is it my understanding that the intention of the 60,000 figure is merely to say that if emigration falls below that figure, there will be a presumption of noncompliance. On the other hand, if we have, through our surveillance and the information we gather, knowledge of, let us say, 200,000 people who have, in fact, applied for exit permits, we would expect 200,000 to be allowed out if they were not criminals?

Mr. JACKSON. The answer is, "Yes."

Let me read from my statement on that issue:

> The basic understanding on numbers of visas is contained in paragraph nine of Secretary Kissinger's letter. According to paragraph nine "the rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants." Thus we anticipate both an immediate increase to the 1973 rate of around 35,000 per year followed, with the implementation of the practices and procedures set forth in Secretary Kissinger's letter and my response, by a continuing increase until the number of visas corresponds to the number of applicants. In other words, as we move into implementation of the agreement, we would expect that if there are 75,000 applicants there will be 75,000 visas, if there are 100,000 applicants there will be 100,000 visas, and so on. The number of visas can thus be determined only by the number of applicants.

This is not a quota system. In voting to approve amendment 2000, Senators can be confident that there is no quota.

Mr. BUCKLEY. Mr. President, I think this exchange will be tremendously reassuring to all those people now trapped within the Soviet Union who have expressed the fears that I related here today.

I am going to take the liberty after leaving this Chamber to contact the Voice of America and suggest that a synopsis of what we have said here be beamed to Russia.

Incidentally, one of the reassuring experiences I had when in Moscow, one of the few, I might add, is the fact that Voice of America is coming through with important, vitally important information. It is a lifeline and I hope that this body never loses sight of the real importance of its role.

Finally, Mr. President, I would like to say that if the Senator from Washington ever wonders if he misspent his time in the Senate of the United States, all he has to do to know that these years have been supremely worthwhile is to go to where I have been in the Soviet Union and hear the outpouring of gratitude for his work in their behalf.

Mr. JACKSON. Mr. President, I want to thank the distinguished Senator from New York for his kind comments.

I just want to say that this has been a long, difficult struggle, but I think that by perseverance we are making progress, even if it is a tiny bit.

I commend the Senator from New York for the way in which he has spoken out and on his trip to the Soviet Union in which he very courageously attempted, and I think quite effectively, to articulate the concerns, the deep concerns of the people who are seeking to leave the Soviet Union.

Mr. BUCKLEY. I thank the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, I congratulate the able Senator from Washington for the tremendous amount of work and time and effort which he has put into this extremely important matter. I congratulate, along with him, the able Senator from Connecticut (Mr. RIBICOFF) and the able Sena-

tor from New York (Mr. JAVITS) for their hard work and their skill. I am pleased to have been a cosponsor of the original Jackson amendment. I have a deep sympathy for the plight of those of Jewish faith in the Soviet Union. I likewise have a deep sympathy for those others in the Soviet Union of other nationalities and other religious beliefs who, likewise, are being harassed and oppressed.

I was very much encouraged by the statements made on the floor today, first by the Senator from Connecticut and then by the Senator from Washington and the Senator from New York, all pointing out that this proposal before the Senate today applies not just to individuals of one particular faith, but to all citizens of the Soviet Union who are undergoing harassment and oppression.

Mr. President, as I understand the parliamentary situation, the original Jackson-Vanik proposal is a part of the bill as reported by the Committee on Finance. It was approved by the House of Representatives and then by the Committee on Finance, and now is a part of the bill. The Senator from Washington has offered an amendment to the original Jackson proposal.

My only concern about the pending amendment offered by the Senator from Washington is that it does not provide a ceiling on credits that can be extended to the Soviet Union. As the Senator from Washington pointed out earlier, I think this matter is being taken care of. In the conference report on the Export-Import Bank bill, the conferees agreed to the Senate proposal that a $300 million ceiling be placed on loans and guarantees to the Soviet Union.

Also, the Senate earlier adopted amendment No. 2026 to this trade bill which likewise provides that, after the date of enactment of the Trade Reform Act of 1974, no agency of the Government of the United States shall approve any loans, guarantees, insurance or any combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300 million without prior congressional approval.

I yield to the Senator from Washington.

Mr. JACKSON. I commend the Senator from Virginia for his diligence, and I supported him in connection with the Export-Import Bank restriction.

Mr. HARRY F. BYRD, JR. The Senator certainly did.

Mr. JACKSON. I think he has rendered a great service in doing that, and now again in connection with this amendment.

I should like to make the legislative record clear that the amendment that we have up, previously adopted by the Committee on Finance, does not authorize any credit. We are merely allowing a prohibition to be waived.

The control on those credits has been properly safeguarded by the Byrd amendment, both in connection with the Export-Import Bank conference report and, again, in this specific bill.

Mr. HARRY F. BYRD, JR. That is correct, except that the Committee on Finance did not adopt the compromise proposal. That is the one that is before us today.

Mr. JACKSON. That is right. This amendment that is before us today is an amendment that gives the President specific latitude, with the safeguards to waive, under the conditions outlines in this amendment, restrictions relating to MFN and credits. But it does not authorize affirmatively—credit or anything of that kind.

The Senator has dealth with the credit problem very effectively with his amendment to this bill, which has already been adopted by the Senate, and, of course, in the Export-Import Bank conference report. So it is double-barreled, and I hope that the Byrd amendment will stay in conference when the conferees meet.

Mr. HARRY F. BYRD, JR. I thank the Senator from Washington.

Mr. JACKSON. Mr. President, I wish to say again that the distinguished senior Senator from Virginia was one of the original cosponsors of the amendment on the issue of emigration, and no one has been more faithful, more dedicated and more effective in advocating the effort that we are seeing culminated here, in this action on the floor today. I praise him for all that he has done, and for the fine way in which he has courageously spoken out.

Mr. HARRY F. BYRD, JR. I am very grateful to my friend from Washington. It was easy to do, because I believe very strongly that this is a humanitarian approach. I think, as many persons have charged, it is very unusual for one country to attempt to interfere in a purely domestic policy of another country. But the way I look at it is as follows: that other country—in this case Russia—wants something from the United States.

They want special concessions from the United States.

They want us to grant most-favored-nation tariff treatment to Russia.

They want access to long-term, taxpayer-subsidized, low-interest rates.

If we are going to give all of that, I submit that we have a right to ask for something in return. What is being asked in return is a humanitarian and compassionate nature. I am glad to have supported the original amendment, and I shall support the approach now suggested by the Senator from Washington, the Senator from Connecticut, and the Senator from New York.

Before taking my seat, I wish to comment on the trip to the Soviet Union taken by the junior Senator from New York (Mr. BUCKLEY). I was very much impressed with the way Senator BUCKLEY. I was very much impressed with the way Senator BUCKLEY handled that trip. He did not spend his time with the leaders of government. Rather, he spent his time among the citizenry, among the Jewish people who had been oppressed and harassed, among the minority nationalities within the Soviet Union. He got, as a result, a firsthand insight into the problems facing them.

I think the Senator from New York (Mr. BUCKLEY) has rendered his fellow citizens a very important service.

Mr. President, I reserve the remainder of my time.

Mr. TAFT. Mr. President, at the outset, I commend the Senators from Washington and others in Congress, the President, the Secretary of State, and all who have participated in the effort to bring this amendment to fruition.

I have long supported the principle involved and have cosponsored the proposed legislation from the outset.

Not only is it a great breakthrough for the Jewish people of Russia, but also, it provides hope for minorities in captive nations everywhere.

The role of the United States is something all of us can be proud of. I have long been convinced that humanitarian considerations belong in our trade considerations and foreign policy. It should be noted with regard to the matter of trade that the U.N. Charter recognizes this principle as a vital element of human rights and that, indeed, in our Western history it goes back as far as the Magna Carta, if not before that.

Humanitarian considerations have been brought to bear already in individual cases, such as the Shapiro case, in which I was involved because a constituent of mine was involved, as well as a number of other individual cases. There have been other cases in which Members of the Senate and the House of Representatives have engaged, and others in which I have engaged. The pressures we bring to bear through public opinion and through our trade and foreign policy considerations have been helpful in the individual cases.

The breakthrough that has come with this amendment and the negotiations that have occurred with regard to it is that now we can work in a more general context. I am convinced that as it has worked—not perfectly, certainly, but at least as we have seen it work in some individual cases—it can work also on the general basis on which it is now proposed by this amendment.

I think it is an outstanding accomplishment and one of which all of us can be proud, particularly those who took the great leadership—the Senator from New York (Mr. JAVITS), the Senator from Connecticut (Mr. RIBICOFF), and others. We are greatly indebted to them for their leadership in this cause.

Mr. CURTIS. Mr. President, I ask unanimous consent that Mr. George Pritts, on the staff of the senior Senator from Arizona (Mr. FANNIN), may have the privilege of the floor during the discussion of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I shall support the proposed legislation. I hope it is enacted completely and that we can complete all of it before Congress adjourns next week.

I also support the provisions that have been made to relieve the injustice in reference to the right of people to emi-

grate, particularly the Jewish people, from Russia.

Mr. President, I support the Helms amendment because I think that should be done. It would be a corollary to the Jackson amendment, but it would take nothing away. It would not interfere with the complete carrying out and execution of the Jackson amendment, but it goes a little further in providing human rights that mean so much to every true American.

Mr. President, I invite the attention of Senators to the hearings of December 3, 1974, page 63. This matter, out of which the Helms amendment arose, involved a witness who appeared before the Committee on Finance concerning his difficulties with being reunited with his son in Hungary. The son was left behind at age 12. All these years have gone by, and they have tried to visit him or to have him have the opportunity of joining his parents in this country, to no avail. The testimony introduced that day was so moving that on April 5, 1974, the Committee on Finance authorized the chairman of the committee, the Honorable RUSSELL LONG, to direct a letter to the Secretary of State. That letter is found on page 63 of the hearings. Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

On April 5 Mr. Szabolcs Mesterhazy appeared before the Committee on Finance and presented us with a courageous and stirring statement concerning his efforts to be reunited with his son currently living in Hungary. Mr. Mesterhazy and his family, except for his then 12-year-old son, escaped from Hungary in 1956. Since that time, the Government of Hungary has refused to permit the remaining son to emigrate from Hungary in order that he may be reunited with his family here in the United States.

Mr. Mesterhazy has apparently asked the State Department to intercede with the Hungarian Government on behalf of his son. Such efforts have as yet been unsuccessful. I am writing you today on behalf of the Senate Finance Committee to ask you to take any steps feasible to intercede with the Government of Hungary in an attempt to obtain the right to emigrate for his son. Any efforts that you can undertake on behalf of Mr. Mesterhazy's son would be greatly appreciated.

I would like to be informed on the attitude of the Hungarian Government on this matter before we go into executive session on the Trade Reform Act legislation.

With every good wish, I am

Sincerely,

RUSSELL B. LONG,
Chairman.

Mr. CURTIS. Mr. President, when the Committee on Finance met on December 3, I had previously notified Secretary Kissinger that I would inquire about the subject matter of this letter, involving the son of Mr. Szabolcs Mesterhazy, who had appeared before our committee. Up to that time, from April 5, no affirmative relief had been granted in this case.

I inquired of Secretary Kissinger about it, as follows:

Secretary KISSINGER. Senator, after the presentation from the committee, we addressed urgent inquiries to the Hungarian Government both in Washington and in Budapest. All I can tell you now is that we have been informed that this case is under urgent, high level review in Budapest by the authorities there.

We will continue to use all the influence at our disposal and I believe that the expressions of concern by this committee will be of powerful assistance in pressing that case.

Senator CURTIS. It will have the support on the secretarial level?

Secretary KISSINGER. Full support on the secretarial level, and it has had full support.

I call attention to this particular question:

Senator CURTIS. Now, is there anything in the exchange of correspondence between Senator Jackson and yourself that relates to an emigration matter for a country such as Hungary?

Secretary KISSINGER. No; there is nothing in that exchange of correspondence. Of course, if title IV as it now stands becomes law, then, before MFN can be granted, some set of assurances will have to be worked out applicable to the specific conditions of the nonmarket economy country concerned. This would allow the President to give the Congress the same assurance with respect to that country that it has with respect to the Soviet Union.

Senator CURTIS. Is Hungary a market economy?

Secretary KISSINGER. No; Hungary would fall under the provision of this amendment. We have not had any discussions with Hungary on this subject. We have had some preliminary discussions with Romania.

Mr. President, I believe that the Jackson amendment should be amended. I am also of the opinion that even though the language is in general language, its interpretation grows out of the exchange of correspondence which did limit it to a particular country, although the language itself is broad.

It seems to me that the Helms amendment would not detract anything from the Jackson amendment, would not interfere with the understanding that has been entered into, and it would take care of cases such as the one presented to the Committee on Finance.

Mr. President, I hope we can take this amendment to conference; and if there is any matter that would detract in any way from the agreement that is worked out here, the conference could give attention to that.

I do not believe there is. I hope that the Helms amendment can be adopted, as well as the Jackson amendment.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield to the Senator from Connecticut.

Mr. RIBICOFF. For the purpose of the record, I want to point out that amendment No. 2000, submitted by the Senator from Washington (Mr. JACKSON), on page 2, line 1, talking about the President, states:

He has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

Since Hungary is a nonmarketing economy, Hungary would fall within the province of the Jackson amendment, and the failure of Hungary to allow the emigration of the persons mentioned by the Senator would deprive Hungary from MFN.

Mr. CURTIS. As I say, I cannot agree that the Helms amendment takes anything away from the Jackson amendment, and I think that it goes a little further, because we do have a matter of interpretation involved here, where we use general language, broad general language, but the history of it has shown, by the correspondence, that it is related to a more restricted area.

I am in favor of that. I am glad that it is in there. But I do hope that we can do full justice, from the standpoint of human rights, and also include the Helms amendment.

Mr. RIBICOFF. Let me respond to the Senator that I am sorry that Senator HELMS is not on the floor. What bothers us about the Helms amendment is the insertion of the word "visit." If the Senator would delete the word "visit," I would recommend personally, and I think so would Senator JACKSON and Senator JAVITS, the adoption of the amendment.

The reason why the word "visit" causes problems is that in all the negotiations that took place at every level, the word "visit' was never used. It could, therefore, be said that we were changing the terms of the secret negotiations.

If the Senator from North Carolina would delete the word "visit," I would be only too glad to recommend that we accept the Helms amendment, after the Jackson amendment is voted on.

Mr. CURTIS. That is something that the Senator from North Carolina will have to pass upon.

Mr. RIBICOFF. I am sorry that the Senator from North Carolina is not here. But in the event he fails to do so, the Senator from Washington will be constrained to move to table the Helms amendment. However, it would be my recommendation that if Senator HELMS would delete just the word "visit," we could very easily accept the Helms amendment.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. What amendment is now before the Senate?

The PRESIDING OFFICER. The Jackson amendment; and under a unanimous-consent agreement, the Helms amendment will be considered next.

Mr. CURTIS. Very well. I think it is best, then, that we resume afterward and I thank my distinguished friend from Connecticut for his spirit of cooperation.

Mr. President, with reference to the bill itself, I urge the speedy enactment of our trade bill. In any operation, there can only be one general; there can only be one quarterback. Upon the President of the United States falls the burden of negotiating with foreign countries, both as to foreign affairs in general and as to trade. The President of the United States has asked for this legislation, and I think that we should give his this tool.

But there are other reasons why I support this legislation. Nebraska is an important farm State. We are not the leader in wheat production, but we are one of the top States in wheat production. Only this week, the president of the

National Wheat Growers Association, Mr. Ray Davis of Potter, Nebr., appeared before the Senate Committee on Agriculture and Forestry and pointed out that we export 75 percent of the wheat produced in this country. We export a great deal of practically all other crops, not including sugar.

This is a very beneficial program. It provides food for those nations that want to receive it. It builds up our trade balances and our dollar balances. Furthermore, it has brought an element of prosperity to segments of agriculture that have never had it before.

Over a period of years, the agricultural people of our country have only enjoyed 80 percent of the prosperity or living standard of those people in our country who are nonfarm operators. Prior to the expansion of world trade that took place in the last couple of years, the price of wheat in western Nebraska was around $1 a bushel. With this export program on, it is selling for around $4.25. I realize there are people who think that should not be. But I would remind them that even at $5 a bushel, there is only 7 cents worth of wheat in a loaf of bread.

What America is suffering from now is not the high cost of farm products, but the high cost of their food program after the products leave the farm gate. As a matter of fact, some segments of our agricultural economy are in very bad straits. The livestock prices are disastrously low. Some of them are less than half what they were a year ago.

A part of the solution of these problems lies in the field of trade.

The European Common Market has denied the importation of meat and meat products. Japan has done about the same thing. As a result, the great meat producing country of Australia has found that the only place it can dump its product is in the United States, and that is one of the factors in depressing the price.

We need to give the President of the United States authority so that some of these things can be corrected, so that pressure can be brought upon the Common Market countries and others in order to establish fair trade on both sides of the transaction.

There may be some things that Congress itself must do, and I think we should assume that responsibility. As for this bill, I hope that it will move rapidly through the Senate, that the conference can come to an agreement, and that this trade bill can be laid before the President early next week.

Mr. RIBICOFF. Mr. President, will the Senator yield for a moment?

Mr. CURTIS. I yield.

Mr. RIBICOFF. Concerning the question whether the amendment would apply to Hungary, the staff has called my attention, on page 64 of the hearings, to the following colloquy:

Senator CURTIS. Is Hungary a market economy?

Secretary KISSINGER. No; Hungary would fall under the provisions of this amendment. We have not had any discussions with Hungary on this subject. We have had some preliminary discussions with Romania.

Therefore, Hungary comes within the amendment. I called that to the attention of the Senator, that section, because he had been very firm against it.

Mr. CURTIS. Mr. President, I think the Helms amendment will actually strengthen the Jackson amendment, and I hope it can be worked out.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I shall be very brief because I trust we are moving toward a vote on this momentous amendment.

I would not want to let the occasion pass without first commenting, as an original cosponsor of the so-called Jackson amendment, on the extraordinary work that has been done over the period of the past several years in moving us to the point where we can vote on this amendment which will move forward a piece of legislation that is the most momentous piece of legislation we have had to deal with in this Congress.

I would like to commend Senator JACKSON, Senator RIBICOFF, and Senator JAVITS who have provided such distinguished leadership on this particular issue.

Certainly, I think that President Ford and Secretary Kissinger have been directly involved all the way through the proceedings, President Ford, as a Member of the House and minority leader there, and then as President, and Secretary Kissinger in several different capacities.

We should also pay tribute to Bill Eberle, who has consistently and steadily helped move this legislation forward.

I think some of the names that are not now on the roster of Government, such as Secretary of Commerce Pete Peterson, should not be overlooked. He negotiated many hours and days in the Soviet Union to help bring about a trade bill with respect to opening up East-West trade that would be feasible, practical, and sound for both economies. Of course, he was representing the interests of the United States of America and he did extraordinarily well.

We should not overlook the fact that the Soviet Union has been pragmatic in this matter, and that the State of Israel has, I believe, demonstrated in its restraint that it never wanted to stand in the way of a trade bill, always hoping that human interest will be paramount and certainly given cognizance over economic interest.

In the balance, we have achieved an amendment that is good for this country and good for the cause of world trade.

I had the honor of testifying before the Senate Finance Committee this year. It marked the 20th year that I have testified before that committee on foreign economic trade matters. I believe that a policy that has moved this country and the world toward a more open trade policy has been good for this country and good for the world in general. It has helped break down barriers. It has opened up borders. It has made people more cognizant of each other. It has made the world more economically interdependent, which we hope moves us toward a world that is a more peaceful world in the future than we have experienced in the past.

We would all prefer trade to aid, both the giver and the recipient. This type of legislation, which carries forward a reciprocal trade agreement principle established in law in the early 1930's in this country, carried on under six Presidents and many different Congresses, is a major step in continuing that trade.

I had the pleasure of serving on the Banking and Currency Committee, as it was called at that time, with the distinguished Senator from Minnesota (Mr. MONDALE). I know that he shared my views. We worked together at that time to remove the blinders that America had had for so many years, in feeling that somehow or other we were strengthening America by resisting trade with Eastern Europe.

How foolish could we be? This is the one area we have been pre-eminent, the one area of American economic supremacy. The Yankee trader has been well known. Why, for so many years we relinquished those markets, left them unavailable for our own trade in agriculture or industry, and let the Western European countries and Japan have unopposed a very vast, growing market, why we would not be concerned with the fact that we can open up doors and open up minds, I still cannot comprehend or understand.

We have worked now toward a much more enlightened policy for this country and a more enlightened policy for the world.

This bill will take us a long step in that direction.

There has been a tremendous amount of dissension in the business community over trade legislation in the past, but I have seen that melt. I have never seen the business community quite as united in recognizing the importance of taking this next step now.

We do stand today as the only legislative body in the world that has not empowered its executive branch to move ahead and negotiate on trade that will open up new doors and new markets for us as well as benefit the American consumer.

Agriculture will benefit tremendously from this, but so will industry in general. How else, if we do not have a trade surplus, can we finance our foreign programs, whether they be in the area of military programs for our own direct defense, military assistance programs, or foreign aid programs?

As a delegate to the United Nations this fall I have seen the concern that many countries have had that once again America may be the one holding up trade negotiations. The vote today on cloture was a brilliant example of when this body wishes to work together it can move together in the national interest.

I commend our Finance Committee in the Senate and the House Ways and Means Committee for having moved us to the point where I trust, within the next 2 days, we will overwhelmingly have adopted once again a trade measure that will be good for the United States, good for the free world, and I

think in the general interest not only of commerce and economics, but in the interest of world peace as well.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABOUREZK. I wonder if I might inquire of the sponsors of the Jackson amendment. I have a few clarifying questions I would like to ask of Senator RIBICOFF.

Is it my understanding that the Jackson amendment applies to the Soviet Union with respect to emigration of anybody?

Mr. RIBICOFF. Without question. Time and time again throughout the correspondence between Secretary Kissinger and Senator JACKSON and in the report of the Senate Finance Committee, it has been expressly and clearly stated that the Jackson amendment applies to people of all races, color, and creeds. Members of the Jewish faith are never specifically mentioned.

Mr. ABOUREZK. So if anyone wanted to emigrate from the Soviet Union and was denied that right to emigrate out of the Soviet Union by the Government of Russia, that would mean that Russia would be denied the most-favored-nation status?

Mr. RIBICOFF. That is correct.

Mr. ABOUREZK. So there is no discrimination there.

Is it also my understanding that the amendment was originally written and directed only toward Soviet Jews, and later changed when this kind of criticism came about?

Mr. RIBICOFF. No. To my knowledge, the Jackson amendment never at any time stated that it applied only to Soviet Jews. Some people have reported on the Jackson amendment as though it applied only to Soviet Jews, but in all our discussions, in all our drafting, it never was the intention of Senator JACKSON, Senator JAVITS, nor I or, to my understanding, of any the 79 cosponsors, that this amendment was confined to people of the Jewish faith.

Mr. ABOUREZK. I read some newspaper stories—I do not know whether they are true or not, and I do not even know whether the Senator from Connecticut can vouch for them one way or the other—that the original cosponsor-the American-Israel Political Action ship of the amendment was circulated by Committee, or whatever that AIPAC is, and the American Jewish Congress. Can the Senator comment on that?

Mr. RIBICOFF. To my knowledge—every Senator who cosponsored this can speak for himself—this amendment was circulated by a number of Senators, including Senator JACKSON, Senator JAVITS, and myself and, as most cosponsorships are circulated in the Senate, Senators will call up and say, "Put me on it," or "Don't put me on it."

Mr. ABOUREZK. I know I was in the House in 1972 and I was contacted by a representative from B'nai B'rith, and asked to cosponsor the amendment at that time. I am just curious to know if that was the case.

Mr. RIBICOFF. I cannot tell the Senator who asked anybody in the House to cosponsor this amendment because I had nothing to do with it in the House. But I believe that in the Senate it was done either by the Senators or members of their staffs, as usual with other members of the staffs who were contacted, or there was a round-robin letter circulated to Members of the Senate asking for cosponsorship.

That is generally the custom, whether it had to do with the Jackson or any other amendment. I know that customarily a member of my staff will come in and say, "I received a letter from Senator so-and-so asking you to cosponsor his legislation."

To my knowledge, that is exactly how the Jackson amendment was circularized.

Mr. ABOUREZK. But the point I am trying to get at, I assume that B'nai B'rith or whoever else was doing all the lobbying on the Jackson amendment had originally intended that to apply only to Soviet Jewish emigration, and I do not know if the Senator is able to comment on that.

Mr. RIBICOFF. This I do not know. As an original cosponsor who worked very closely with Senator JACKSON and Senator JAVITS, in our discussion with President Ford, in our discussions with Secretary Kissinger, in our discussions with one another, in our representations to other Senators, and at hearings, we have been very explicit to point out that the Jackson amendment was not exclusive, that the Jackson amendment was not confined merely to emigrants of the Jewish faith, but was all-inclusive, and applied to people of all races, creeds, colors, or ethnic groups.

Mr. ABOUREZK. I would like to ask another question, if I might, of the Senator from Connecticut. The amendment is directed toward, I guess, what are known as nonmarket countries. That means Eastern bloc countries, if I am not mistaken.

Mr. RIBICOFF. Yes, nonmarket countries, which are, in effect, Communist countries.

Mr. ABOUREZK. Is there a reason why it was restricted to nonmarket countries?

Mr. RIBICOFF. It was originally drafted to be part of the trade bill in which MFN was sought, and the countries that did not have MFN were the Communist countries.

Mr. ABOUREZK. So a country such as Chile or Brazil does have MFN. I do not know, I am just asking if that is the case. Do they?

Mr. RIBICOFF. They have MFN, and I believe that Poland and Yugoslavia have MFN by previous legislation that was passed by Congress.

Mr. ABOUREZK. Is there a reason why this amendment and the sponsors of this amendment, those people who have supported it, have not tried to obtain free emigration from countries such as Chile and Brazil and some of the other countries where people are trying to get out of the country and are unable to do so in many cases?

Mr. RIBICOFF. Well, I would say that historically there has not been a complaint concerning Brazil and Chile about restrictive emigration policy.

Countries that restricted emigration were basically nonmarket or Communist countries. Other countries have not had these restrictions, so this amendment was addressed basically to the problem and not to a theory.

Mr. ABOUREZK. What of the many reports of people, of political prisoners, being held in prison in Chile, for example? The Organization of American States Human Rights Commission has just released a report—there have been many reports—that those people have been unable to emigrate from Chile because they are political prisoners. Why was not the amendment applied to those people, for example?

Mr. RIBICOFF. Well, I would say that people are imprisoned in every nation in the world.

Mr. ABOUREZK. I am talking about political prisoners.

Mr. RIBICOFF. Although we condemn what happens to individual prisoners, if we started to review every person who was in prison in every country in the world, it would be an impossibility.

Now, if it is a condemned injustice in Chile, I certainly would join with the distinguished Senator from South Dakota in such condemnation.

This amendment was originally drafted 2 years ago, and I do not see how we can take a general emigration policy and apply it to those people who have been incarcerated in jails and prisons all over the world.

Mr. ABOUREZK. I think there are problems of emigration in a great many countries in the world outside of the so-called nonmarket countries, and that this amendment does not address itself to that.

I was only curious to know why this amendment had not been directed toward all of those countries as well, because I know the Senator's commitment to human rights is equal to or greater than my own, and I somehow think that we in the Senate deplete it a little bit if we do not pay attention to everyone's human rights. And if we should only pay attention to the rights of just a small number of people, who deserve those rights, incidentally, I think we ought to allow totally free emigration of Soviet Jews or Soviet Georgians or Soviet anybody from the U.S.S.R. or any other country that is prohibiting that emigration.

The point I am trying to get at is the amendment—and I do not think there is any question about it—has been narrowly directed and narrowly construed in spite of the protestations that I have heard here today and, in a sense, it is kind of unfair that other people are not being provided the same kind of protection as the Jews of Soviet Russia.

I would like to direct another question.

Mr. McGEE. Mr. President, would the Senator be willing to yield a minute on this point?

Mr. ABOUREZK. Yes, go ahead.

Mr. McGEE. I just wanted to say to the Senator we have had this question arise in other categories. One has to have the basic philosophy of whether we prevent one step being taken that eventually can help to open up for others or whether

we wait until everybody gets the consideration of it.

We have the question whether it is in pay considerations, whether it is in the loosening of restraints against particular minority groups moving around the world, whatever it is.

It would seem to me if we could make just a little bit of headway with the Soviet Union, that is a significant step forward.

Mr. RIBICOFF. May I read from Secretary Kissinger's letter to Senator JACKSON:

> Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin, and professional status of the applicant.

Senator JACKSON, in presenting this amendment, pointed out specific cases where Catholics were included, Protestants, and I know that there are many Muslims within the orbit of the Soviet Union who, I believe, would like to emigrate as well. It applies to anyone, and this was in our contemplation and specifically spelled out, as a result of the agreement of Secretary Kissinger to Senator JACKSON, as I have just read to the Senator.

Mr. ABOUREZK. I wonder, just directing a point here to the Senator from Wyoming, who said that we ought to take every little step possible, if the Senator from Wyoming would agree to support the amendment that I offered to the foreign aid bill last year, and will do it again next year, regarding the shutting off of foreign aid for political prisoners wherever they might be held under a certification and definition of political prisoners according to international definitions; if he is willing to take any step, I wonder if he would be kind enough to support that kind of an amendment?

Mr. McGEE. We support it where the relevance in the diplomatic hangup at the time would bear it out. A blanket one, it seems to me, has to be measured very carefully in each instance where it might be applied. It is convenient to apply it in some of the more popular places, and it is quickly forgotten in some of the areas where it may be needed more desperately.

I strangely heard no comments from those supporting the Senator's amendment to do anything relevant in regard to Uganda or in regard to Burundi or in regard to Ethiopia, and it is just that we take the popular crusade at the time and make a big generalization out of it. I think we have to carefully look at the merits of that in each area where it would be relevant and, in that regard, I would say yes.

Mr. ABOUREZK. The amendments I am referring to establish a procedure by which each case could be looked at separately because it provides for a certification by the President and the State Department as to whether or not political prisoners are being held in any country that receives aid from us.

So, therefore, it would fall into the purview of what the distinguished Senator from Wyoming has agreed to do. In that connection, would the Senator be willing to support it?

Mr. McGEE. I will look at it in time. As the Senator knows, we do not commit in the abstract. It depends on which bill it is on and its effect; the Senator knows that.

Mr. ABOUREZK. The Senator is willing to debate in the abstract, although he is not willing to commit in the abstract.

Mr. McGEE. I think it is illustrated by the Senator's rhetoric here this afternoon, as he is propounding to the Senator from Connecticut and the Senator from Washington on the particular attributes of this special category.

The point it seems to me that is most relevant is that we are all propagandized on these things, all lobbied on it by all groups. I get very constructive input into all this matter from the American Friends from the Middle East.

It is not as though this is one sided, fortunately. I hope we are big boys now and that, while we listen to lobbyists who have some input, we also have a capacity to sort it out and make our own decisions, and not be castigated for having taken a position that some regard as too popular or as too unpopular. It is this sort of thing.

Mr. ABOUREZK. Not castigated.

Mr. McGEE. As one of those who has been castigated, I would say I would be in a position to say yes. We have been accused of having been—if I may quote General Brown—we are really a bunch of simpletons here, victims of a lobbying outfit and we are not smart enough to see it.

The issue is what is best for the policy of the United States.

I did not mean to get into this.

Mr. ABOUREZK. I totally agree, the issue is what is in the best interest of the United States. I do not argue with that at all.

I do not know if General Brown did say that we were a bunch of simpletons. I disagree with that totally. I do not think we are. I think we do much better than that.

The Senator is not talking about anybody castigating today?

Mr. McGEE. Oh, no, nobody in the Senate would be guilty of that.

Mr. ABOUREZK. I wanted to clarify that.

Mr. McGEE. We are all subject to this on the national horizon, wherever we go.

Mr. HELMS. If the Senator will yield, I ask unanimous consent that Jim McClellan of my staff be accorded privileges of the floor during debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. I wonder if I might direct a further question to the sponsors of the Jackson amendment.

The complaints that have come in, as the Senator said, they responded to a complaint, I am certain the Senator heard a complaint that the Palestinian people have been denied the right to immigrate back into what was formerly Palestine, now called Israel.

I am curious to know why sponsors of the amendment have not included the rights of those people to be allowed to immigrate to the land they formerly lived in.

Mr. RIBICOFF. There happen to be 4,000 Jews that they would like to get out of Syria, but the Syrians will not let them out.

We are not disallowing aid to Syria because they will not allow 4,000 Jews to get out, for the reason that Syria is not a nonmarket country, just as Israel is not a nonmarket country.

This amendment was introduced because the administration was seeking in its trade bill most-favored-nation treatment for nonmarket countries.

So Senator JACKSON took the lead, and Senator JAVITS and myself assisted him, along with some 79 other Senators, to make sure the emigration of all peoples from nonmarket countries were made a condition for most-favored-nation treatment.

Now, as far as the problems of Palestinians wanting to come to Israel, that is a problem that is outside the purview of the Jackson amendment.

To my knowledge, Jordan, where the Palestinians then lived, did not have a problem. They are not denied MFN, Syria is not denied MFN, and Israel is not denied MFN. These countries already have MFN.

So, we addressed ourselves to those countries that do not have it, that is the scope of the amendment.

Mr. ABOUREZK. I think I understand that. I guess my question was directed to the sponsors as to why we could not accomplish that through this trade bill, through this amendment.

I, for one, would be willing to deny MFN on monetary aid to Syria or any other country that refused immigration. I am all for that. I would hope at the same time, however, that the sponsors of this amendment would agree to allow free emigration. For example, the Palestinians, a great many of whom were born in a land they cannot now return to, a great many of them.

Mr. RIBICOFF. I think the Senator is confusing emigration with immigration.

This country, too, has restrictions. We have a quota system.

The Senator is talking about why Israel does not allow immigration. The whole thrust of the Jackson amendment has to do with getting out, not getting in.

I do not know a single nation in the world that has unrestricted immigration. I think this is the confusion in the Senator's argument.

Mr. ABOUREZK. I guess the point I was trying to make here is that, as a matter of fairness, I would like to see total free immigration on the part of anybody's immigration, and in those cases where people were at least born in the land, immigration back to that land.

I personally would not want to restrict it to any one nation or any one class of people because I am, as is the Senator from Connecticut, I think, very much concerned with the human rights of anybody.

I want to thank the Senator very much for his response to my questions.

SOVIET EMIGRATION POLICIES

Mr. McGOVERN. Mr. President, the decision before the Senate today should be seen as one of historic proportions.

The sections of this bill dealing with emigration—and the agreements behind them—represent a landmark in the affirmation of certain universal human rights.

We have an obvious economic interest in extending the realm of free world trade, as this trade legislation provides. But if we are to sustain a posture of moral leadership in the world, then economic concerns cannot impair our attention to the most fundamental rights of humanity. That, I take it, is the underlying premise of this decision.

The history of this emigration language demonstrates a broad Senate determination that it shall be respected. In my view, the new waiver provision involves a change of procedure, but not of substance. Throughout the first 18 months, and every successive 18-month period, each interested party should be on notice that those of us who have been involved with this issue will be watching its operation with unrelenting care.

In the case of the Soviet Union, the record since the exchange of letters between Secretary Kissinger and Senator JACKSON has not been promising. There is substantial evidence of harassment of citizens who wish to emigrate—numerous cases of obstacles imaginatively designed to hide the truth to the outside world. A case of draft evasion, of criminal activity, or of an economic crime under Soviet law could well be no more than a procedure to thwart the will of someone who wants no more than to leave.

Once this law goes into effect, and if most-favored-nation status is granted to the Soviet Union through the waiver provision, I expect to see a marked change in that situation. For I believe Soviet officials must see that both the humanitarian and the commercial sections of this legislation reflect the best interests of the Soviet Union and of the United States.

Mr. CANNON. Mr. President, I strongly support the Jackson amendment to section 402 of the Trade Reform Act.

As reported by the committee, section 402 prohibits the President from concluding a commercial agreement with any nonmarket economy country which denies its citizens free emigration. The amendment I support, introduced by my colleague Senator JACKSON, would provide temporary authority to the President to waive section 402 provided certain conditions are satisfied.

Mr. President, as you know, since section 402 was incorporated movement has taken place with regard to the Soviet Union's expressed interest easing that country's emigration practices. As a result, through an exchange of letters, Secretary of State Kissinger and Senator JACKSON expressed the terms required for the waiver of section 402 as it pertains to the Soviet Union.

I think the waiver procedure is a good one; if it were adopted, the Soviet Union would be extended MFN immediately upon a submission by the President of a report that a waiver would promote the objectives of section 402. I will not go into here the features of the waiver authority because my colleague Senator JACKSON has ably done so; however, I will go into my concerns about the intent of the Soviet Union to comply with these considerations.

The Congress certainly expects to monitor the results of this waiver authority. The Congress expects that the Soviet Union will comply as per the letter exchange. In my view, at least, the means of harassment is not considered to be limited to just the forms described in the letter. There is strong evidence that various forms of harassment and persecution of citizens trying to emigrate are continuing. These reports of intimidation include continued communication cutoffs of those seeking to leave the Soviet Union and interference with letters to Soviet citizens from abroad.

The provisions under the amendment we are debating will give the Congress ample authority to review the results of the waiver, and the Congress will definitely use this authority.

Mr. President, I urge adoption of the amendment.

Mr. ROTH. Mr. President, I support the adoption of amendment 2000 to the Trade Act to waive the Jackson amendment for an initial period of 18 months in return for specific performance by the Soviet Union on freedom of emigration. This amendment is supported by those groups supporting the Jackson amendment.

The waiver is based on assurances given to Secretary of State Kissinger from the highest ranking Soviet leaders that restrictions on emigration and harassment of those wishing to emigrate will cease. As one of the initial 12 cosponsors of the Jackson amendment in the fall of 1972, I am very pleased that these assurances have been made and that, provided the Trade Act is adopted and Soviet performance is forthcoming, relief for Soviet Jewry and other minorities will be achieved. These assurances vindicate the belief of those of us who have contended that our economic leverage can and should be used for this humanitarian purpose.

During the period that the waiver is in effect, Soviet emigration policy will be closely monitored and if, at the end of the initial 18-month period, the President believes that the Soviets have lived up to their promises, he may request an extension. But in order for the extension to be granted, there must be an affirmative vote by the Congress. Under the Trade Act, the President may also suspend or terminate most-favored-nation tariff treatment at any time. As I indicated in remarks on October 2, I had an amendment drawn up that would have extended this same right of suspension or termination to the Congress. There is some feeling, however, that this amendment would be too rigorous and an attempt to press it might jeopardize the assurances that have already been given. In view of this, I have decided not to offer the amendment, although I believe it should be kept in mind in case Congress wishes to adopt it later, particularly after the initial waiver period is ended.

The performance expected of the Soviet Union is outlined in two letters exchanged between Senator JACKSON and Secretary Kissinger which are included in the report of the Finance Committee on the Trade Act. The Secretary's letter specifies, among other things, that punitive actions against individuals seeking to emigrate will not be permitted by the Soviet Government, that unreasonable and unlawful impediments will not be placed in the way of persons applying for emigration, that applications for emigration will be handled in order of receipt and on a nondiscriminatory basis, that persons in prison will be given for early release, and that the emigration tax will remain suspended. The Senator's letter specifies the understanding of the sponsors of the Jackson amendment that conscription and the bringing of criminal charges against the person desiring to emigrate or his family is included in the prohibited punitive actions, that the present requirement that adults must have the permission of their parents before their applications can be processed is an unreasonable impediment, that previous access to sensitive or classified information should not stand in the way of a person desiring to emigrate, and that the number of emigrants should reach and exceed 60,000 a year.

There is, of course, no way to enumerate in advance all the various punitive or unreasonable measures which could be used in the future to discourage applications for emigration.

Nor is there a formal government-to-government agreement on the measures which have been enumerated. But it should be crystal clear to the Soviet Union that when Congress considers any renewal of the waiver, Soviet performance will be judged against the standards set forth in both letters as if there were a formal agreement, and it will insist that the spirit of the agreement be honored. Some new punitive measure, not specifically mentioned in the exchange of letters, will not be considered legitimate just because it is not specifically covered by the assurances received.

These assurances will have to be carefully and closely monitored. At the present time there continue to be awful examples of harassment contrary to the spirit of the agreement. I am very concerned about the case of Mikhail Shtern, a Jewish doctor from the small Ukrainian city of Vinnetsa, who was imprisoned on trumped up charges after he had made an application to emigrate. The trial of Dr. Shtern began on December 11. Freedom to emigrate is a fundamental individual right, and I hope the Soviet Government reacts to Senate adoption of this waiver by permitting Dr. Shtern and the many others in his position to emigrate.

Mr. DOLE. Mr. President, the achievement of an agreement on the emigration amendment is of great satisfaction to me as a supporter of that provision. The President, Secretary of State Kissinger, and the Senators responsible for

this provision are deserving of a tremendous amount of praise.

The time it has taken to resolve differences within the Senate on this most important piece of legislation is unfortunate, but at the same time it is a testament to the fact that this country will not subordinate its concern with basic human rights to expediency.

In the final hearings on the trade bill last Tuesday, Secretary of State Kissinger explained in great detail the negotiations with the Russians on this matter. It is my feeling that the President and the Secretary of State have worked out a relationship with the Soviet Government which will be meaningful to those intended as beneficiaries of this provision. At the same time, the relationship will permit the further development of peaceful contacts and intercourse between the two nations that will be significant for worldwide harmony.

The success in resolving this problem has made the bill we consider here today a better bill. That will better serve our own interests, serve to ease the plight of citizens elsewhere whose fundamental freedoms have been denied, and assert, once again, in a very particular and specific way, America's traditional concern for the rights of individuals.

So Mr. President, I am convinced that the trade bill is vital to the continued development of our world trading positions. I hope we can move forward toward the final passage of this bill.

Mr. BEALL. Mr. President, I am happy to join the distinguished Senator from Washington (Mr. JACKSON) in support of the vital issue of freedom of emigration which is an intrical part of the Trade Reform Act of 1974.

I have been a cosponsor and active supporter of the Jackson amendment since its inception and I am delighted that the Finance Committee has incorporated this provision in its version of H.R. 10710. In the spring of 1973 the members of the Senate Commerce Committee visited the Soviet Union so as to ascertain, with greater accuracy, the potential of improving trade relations between our two countries. During a lengthy discussion with General Secretary Brezhnev I raised the issue of the right of emigration from the Soviet Union. At that time the education tax was still a very live issue as were other barriers erected by the Soviet Government to prevent the free emigration of their citizens, especially Soviet Jews. The General Secretary's initial reaction was one of hostility to my question which he deemed to be an intrusion into domestic Soviet policy. After his initial protest, he however proceded to advise our group of the decision of his government to suspend indefinitely the education tax. He went on to quote statistics regarding the significant increase in the number of Jews who have been allowed to leave the Soviet Union in recent years.

Mr. President, I have no doubt in my mind that this rise in emigration of Soviet Jews was largely a response by the Kremlin to the continuing pressure and visibility this issue has received in the U.S. Congress.

I was pleased to note that Secretary Kissinger, in a letter to Senator JACKSON dated October 18, 1974, outlined seven criteria which will govern emigration from the Soviet Union. Mr. President, I ask unanimous consent that the portion of the letter containing these seven points be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

First, punitive actions against individuals seeking to emigrate from the U.S.S.R. would be violations of Soviet laws and regulations and will therefore not be permitted by the government of the U.S.S.R. In particular, this applies to various kinds of intimidation or reprisal, such as, for example, the firing of a person from his job, his demotion to tasks beneath his professional qualifications, and his subjection to public or other kinds of recrimination.

Second, no unreasonable or unlawful impediments will be placed in the way of persons desiring to make application for emigration, such as interference with travel or communications necessary to complete an application, the withholding of necessary documentation and other obstacles including kinds frequently employed in the past.

Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant. Concerning professional status, we are informed that there are limitations on emigration under Soviet law in the case of individuals holding certain security clearances, but that such individuals who desire to emigrate will be informed of the date on which they may expect to become eligible for emigration.

Fourth, hardship cases will be processed sympathetically and expeditiously; persons imprisoned who, prior to imprisonment, expressed an interest in emigrating, will be given prompt consideration for emigration upon their release; and sympathetic consideration may be given to the early release of such persons.

Fifth, the collection of the so-called emigration tax on emigrants which was suspended last year will remain suspended.

Sixth, with respect to all the foregoing points, we will be in a position to bring to the attention of the Soviet leadership indications that we may have that these criteria and practices are not being applied. Our representations, which would include but not necessarily be limited to the precise matters enumerated in the foregoing points, will receive sympathetic consideration and response.

Finally, it will be our assumption that with the application of the criteria, practices, and procedures set forth in this letter, the rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants.

Mr. BEALL. Mr. President, throughout 1974 I have received a steady flow of mail which brings to my attention individual cases of Soviet citizens who desire to leave their homeland. I have prepared excerpts from selected letters I have received which outline some of the difficulties individual Soviet citizens are having in their desire to emigrate from the Soviet Union and I would ask unanimous consent that this material be printed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM LETTERS INVOLVING SOVIET EMIGRATION CASES

From Alan Drattell, Chairman, Soviet Jewry Committee, Temple Emanuel, Kensington, Md.

Re Leonid Lotvin and family.

The husband is Leonid Lotvin; his wife is Irina Mondrus. They have a 16-year-old son, Mike. They live at Basseynaya 79—Apt. 83; Leningrad, USSR.

The Lotvins applied for a visa to emigrate to Israel nine months ago. They have heard nothing in that time from the Soviet government, and in a telephone conversation with them yesterday, they asked our help in appealing to their government to determine why they have not heard anything during this period and to ask for permission to leave.

It is hard for us to determine what actually does or does not help a Russian family in this position. Our committee at Temple Emanuel in Kensington, Md., feels that the aid you gave to the Igor Goldfarb in Kiev played a role in the Soviets granting them permission to leave for Israel. Sometimes the Soviets just knowing that influential Americans are interested in a particular family can protect that family from harrassment. Whatever you do in the Lotvins' behalf, we feel, will help.

From Carol Solomon, Gaithersburg Hebrew Congregation, Gaithersburg, Md.

Re Pieta Pinkhasov.

The 130 member families of the Gaithersburg Hebrew Congregation have adopted a Soviet Jewish prisoner named Pieta Pinkhasov, whose release and well being are of great concern to us. You, as a United States senator, can be very helpful to Mr. Pinkhasov, and we sincerely enlist your assistance.

Pieta Pinkhasov, a Russian Jew from Derbent, Dagestan, is serving a five year prison term in a labor camp, having been sentenced under unusual and secretive circumstances for a crime he did not commit. Pieta, his wife, and their six children aged two to fifteen had a visa and were ready to depart for Israel when Pieta was arrested on charges of a petty theft allegedly committed some years prior. Pieta had not stolen anything. That fact plus the timing of the arrest suggest that the arrest is part of a campaign harassing Jews planning to emigrate. Furthermore, the authorities told Pieta's family that if they stayed in Derbent, charges against Pieta would be dropped, which is judicial blackmail. Fortunately, Pieta's wife Yalta and their children were able to emigrate as planned. On September 20, 1973 they arrived in Israel expecting Pieta to follow after the trial. He has not. Instead he was given the maximum sentence possible without benefit of proper trial.

This is how you can help us. We would be most grateful if you would send Jewish holiday greetings to Pieta Pinkhasov on official stationery on the Jewish holidays. This would help Pieta in several ways. First, it would help raise his morale. Second, the authorities would treat him better knowing that a United States senator was concerned about his welfare. We would, of course, be very appreciative if you could aid us in pressuring for his release, but we understand the limited power of any United States official in this respect.

We thank you most sincerely for your attention. I am sure Pieta will be most heartened by your greetings.

From Mrs. Joseph Birnbaum, Chairman, "Prisoner of Conscience" Project, Baltimore Chapter Hadassah, Baltimore, Md.

Re Eduard Kuznetsov.

May I respectfully ask your attention in the following matter. The Baltimore Chapter

of Hadassah, representing 7,000 Jewish women in Baltimore and 350,000 in the nation, has for some time been deeply troubled by the fate of Jews in Russia. We are particularly concerned about Mr. Eduard Kuznetsov, by profession an interpreter, who was first condemned to death in 1970. The sentence was later commuted to fifteen years in a Labor Camp. The camp is the notorious "Potma" prison, where for the first half of his sentence he is not allowed any visitors and only one food parcel and letter a year. Also, the caloric food allowance at the Potma prison is so small, that it falls far below the requirements of a person engaged in heavy labor. And all this just for the crime of wanting to emigrate to Israel! This is a specially sad case, since Mr. Kuznetsov's wife and her two brothers are also "prisoners of Conscience" held in Soviet jails. Mr. Eduard Kuznetsov's address is: U.S.S.R., R.S.F.S.R., Moskva, U.C.H.R 5110/Z H 4, Eduard Kuznetsov.

Events in Russia, such as lifting a little the right to emigrate, the commutation of sentences, the expulsion of disidents, rather than their liquidation, prove that the U.S.S.R. is sensitive to pressure from abroad and to Western Public Opinion.

We, therefore, would appreciate it very much if you could use your good offices to effect the release of Mr. Kuznetsov and his emigration to Israel, or to at least relieve some of the inhumane conditions under which he is incarcerated."

From Jonathan D. Libber, Chairman, Social Actions Committee, University of Maryland, College Park, Md.

Re Lassal Kaminsky.

March 26, 1974 will be the forty-fourth birthday of Lassal Kaminsky. He has been imprisoned for the last three and a half years in a Soviet slave labor camp. The prison authorities have mistreated him and his situation is serious. It is the hope of my organization that some sort of resolution can be presented to Congress recognizing his birthday and supporting the other Prisoners of Conscience in the U.S.S.R.

Re Boris Rubinshtein and family.

From Esther Rubinstein, Potomac, Md.

I am writing concerning the plight of the family of Boris Rubinshtein of Leningrad. He is a Ph.D of Physic-Mathematics, and was fired when he applied for an exit visa. His wife was demoted. They have been denied visas five times. Please write to Leonid Brezhnev and ask him to intervene in their behalf.

Thank you for your past assistance to the State of Israel and to Soviet Jewry. I hope you will continue to support Israel with all necessary political and military assistance. Thank you again.

Re Josif Mendelevich.

From Shaare Tefila Congregation, Silver Spring, Md.

We draw your attention to the inhuman treatment given to Josif Mendelevich in Soviet prison camps. He is a victim of the infamous Leningrad Trial of December 1970.

As a deeply observant Jew, he refuses to eat any foods in his subsistence 1200 calorie daily diet that are not kosher, although he is forced to work long hours at hard labor. Also, incoming food packages and visitation is almost non-existent, and his rights to send mail is severely limited.

Josif's family have been harassed and threatened with forced eviction from the U.S.S.R. because they protested the inhuman labor camp conditions he has been enduring.

We urge that you protest this inhuman treatment and register our complaints with the U.S.S.R.

From Mr. & Mrs. George Strum, Baltimore, Md.

Re Yury and Anna Berkovsky.

On July 29th we were happy to receive a letter from the Berkovskys—their first contact with us since their arrest last April 12th. Their letter naturally gave no information as to their current status, but we learned a most startling situation from the National Committee on Soviet Jewry:

Instead of a trial, for which they were both told they would definitely be convicted and sent to labor camps for 2 years, they were allowed to "confess" and serve their prison term in another inhumane way—Both would live in labor camps for 6 days of each week for the next 2 years, and one day each week they would be reunited in their own apartment with their little daughter, Rina. As parents of a 5 year old little girl, they agreed to this alternative.

We are truly appalled at the unjust suffering of this brave family, who have been struggling for freedom for over 2 years, since June 22, 1972.

From Max B. Heppner, Chairman, Committees for Soviet Jewry, Columbia & Howard County, Columbia, Md.

Re Dr. Ilia Glezer.

We would like to share with you our deep concern for the fate of Dr. Ilia Glezer, a Soviet scientist imprisoned for expressing his desire to emigrate to Israel. We ask most urgently that you include a special plea for him in your representations to the Soviet Union about mitigating the harassment of its citizens who wish to leave.

Dr. Glezer's condition is both worthy and pitiable. His worthiness is evident from his distinguished work on the morphology of the brain, which is studied by medical students the world over. His piteous condition is declared in letters that continue to arrive both in this country and in Israel.

Just prior to his arrest, he was (accidentally?) struck by a car. Previous harassment had caused him an ulcer. In prison, he developed a liver ailment, failing eyesight and, most recently, a severe edema in his hands and feet. He continues to be treated worse than other prisoners, and to receive improper medical treatment.

Although he was charged with having "slandered the Soviet system," he never overtly challenged the authorities. There is no logic in singling him out for punishment. Yet at his "hearing" in 1972, he was sentenced to prison until Feb. 7, 1975, plus a further three-year term of banishment to Siberia. Even if Dr. Glezer survives prison, he is unlikely to survive the further punishment in Siberia.

We of the Columbia Jewish Congregation and the Jewish Council of Howard County urge immediate medical attention for Dr. Glezer, his prompt release, and prompt permission to leave for Israel. We appreciate that in this matter you speak for us all—citizens of Maryland as well as Connecticut, non-Jews as well as Jews. And you also speak for his anguished mother, who has written us directly to have you plead for her son. She sincerely believes that without your support, there is no hope.

From Sol Goldstein, Chairman, Baltimore Committee for Soviet Jewry, Baltimore, Md.

Re Mr. Goren and family.

This past summer a Soviet Jew, who is now a violinist with the Baltimore Symphony Orchestra, arrived in Baltimore without his wife and family because the Soviet Union refused to grant exit visas to his wife or to his two daughters. His name is Edward Goren and his wife is Sophia Belocerkovskaya. Mr. Goren is very anxious to have his wife and family join him in Baltimore where he has already begun to make a very real contribution.

I wonder if it may be possible for you to contact the State Department on behalf of Mr. Goren so that his wife and his two daughters, Irina, age 5 and Julia, age 3, can join him in America.

I am well aware of your past and present support of the Jackson Freedom of Emigration Act, and I am certain that you will want to make inquiry at the State Department in this matter concerning a resident of Baltimore and future citizen of the United States.

Mr. BEALL. Mr. President, in each of the cases that have been brought to my attention by my constituents, I have written to His Excellency Anatoly F. Dobrynin expressing my concern and that of my constituents for the safety of the above-mentioned individuals. I went on to ask the Soviet Ambassador to contact the appropriate officials in his government so as to ascertain and make available to me additional information on the status of each of the above-named Soviet citizens. To date, I have reieived only routine acknowledgments of my letters but I pursued the matter further in a letter to the Ambassador dated November 11, 1974, in which I stated that—

I basically support improved trade relations between our two nations, but such a position becomes increasingly difficult to maintain when my constituents continue to bring cases such as this to my attention.

I might add that not all of the acts of repression in the U.S.S.R. are directed against Soviet Jews. Like most of my colleagues I have received a number of inquiry's on the plight of Valentyn Moroz. This 38-year-old Ukrainian intellectual is not seeking to leave the Soviet Union but would prefer instead to live in greater freedom in his homeland. Although section 402 of the Trade Reform Act would not directly help ease domestic repression in the Soviet Union, I do believe that the long-range impact of a freer emigration policy would make it increasingly difficult for the Soviet Union to continue to conduct its internal policy as they have in the past. Mr. President, I ask unanimous consent that several of the correspondence I have received relative to the status of the imprisoned Ukrainian intellectuals, Valentyn Moroz and Leonid Plyushch, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ORGANIZATION FOR THE DEFENSE OF FOUR FREEDOMS FOR UKRAINE, INC.,
Baltimore, Md., June 22, 1974.

Hon. J. GLENN BEALL,
Old Senate Office Building,
Washington, D.C.

MY DEAR SENATOR BEALL: On behalf of Baltimore Branch of the Organization for the Defense of Four Freedoms for Ukraine, I take this opportunity to bring to your attention the urgent matter concerning Valentyn Moroz, Leonid Plyushch and many other Ukrainian intellectuals that are victims of Soviet jails, concentration camps and psychiatric wards. They have been arrested, tried and sentenced because they protested against discrimination of Ukrainian language, Russification of Ukrainian culture and the gross violations of human rights in Ukraine.

Ukrainian political prisoners are not criminals—they are patriots who love their country and are resisting the alien yoke of Communist Russia.

We appeal to you, in the name of justice and humanity, to join us in protest against the brutal violation of basic human rights by the Soviet government in Ukraine. We urge you to use your power and influence to save the lives of these brave Ukrainian intellectuals, and demand that these victims of Soviet Russian tyranny be released immediately.

When Alexandre Solzhenitsyn, author of the book The Gulag Archipelago, 1918–1956 in which he exposed the atrocities perpetrated by the Soviet regime, was released under pressure of the wave of indignation throughout the free world; when the impact of international opinion, the Kremlin has allowed many Jews to emigrate from the USSR, NOT ONE word has been spoken by that same free world about the violation of human and national rights by the Soviet regime in Ukraine.

Therefore, we ask you to voice your protest against the barbarous persecution of Ukrainian intellectuals and other patriots in Ukraine.

We feel that a continuation of our policy of detente without mentioning these violations of human rights, is equivalent to granting approval to these violations. For that reason we urge you to oppose economic and technical assistance to the USSR until Valentyn Moroz and other Ukrainian political prisoners, and prisoners of other nationalities in the USSR are released.

We are enclosing six lists of signatures in defense of lives of Valentyn Moroz, Leonid Plyushch and other Ukrainian intellectuals incarcerated in Soviet-Russian prisons and concentration camps and inhumanly mistreated and near death.

Thanking you for your kind consideration, we remain

Cordially yours,

KLEMENS BABIAK,
President.

UKRAINIAN CONGRESS COMMITTEE OF AMERICA,
Baltimore, Md., October 23, 1974.

Hon. J. GLENN BEALL, Jr.,
Senator from Maryland,
Washington, D.C.

DEAR SIR: The members of the Executive Board, Baltimore Branch, Ukrainian Congress Committee of America, Inc., in behalf of the thousands of Americans of Ukrainian origin resident in Maryland, ask you to exercise the strongest influence you can to persuade President Ford and his executive assistants to seek humanization of the controls and practices affecting Ukrainian political prisoners and inmates of concentration camps and hospital mental wards.

Under programs furthering Russification, over 600 Ukrainian intellectuals, mostly young men and women, were arrested, tried secretly, and sentenced to harsh terms of imprisonment for "anti-Soviet agitation and propaganda." In reality, these men and women are being punished for criticizing the police terror and the violation of human rights as defined by the Universal Declaration of Human Rights by the U.N. and by the Soviet constitution.

Among the arrested are two intellectuals, Valentyn Moroz, 38-year-old Ukrainian historian, and Leonid Plyushch, 35-year-old Ukrainian mathematician, who are reported "near death" from starvation and administration of dangerous drugs. Since July 1, 1974, Valetyn Moroz has been on a hunger strike in Vladimir Prison. He has stated that he will "refuse food" until death, unless he is transferred to a concentration camp!

The Honorable Robert Taft, Jr., of Ohio introduced in the U.S. Senate a resolution (S. Res. 392), calling on the U.S. Government to express its concern for the "safety and freedom of Valentyn Moroz." We ask you to join Senator Taft as a co-sponsor of his resolution and to use the many powers of your office in ways that will release Valentyn Moroz from the 14-year sentence at hard labor and the beatings and tortures to which he has been subjected.

The Russian rulers are so fearful of the human craving for national, religious and cultural rights and freedoms that they behave irrationally and excessively, creating problems rather than solving them. During this period of detente, our government has embarked on a program of economic and technological aid to the Soviet Union. But much more important to the peoples of the Soviet Union and their rulers are the humanitarian fundamentals which are the mainstays of American diplomatic credentials, imprinted by two centuries of instructions in basic human rights from the American people. By Blending our traditional high regard for the inalienable rights of man into the detente of trade and mutual economic advantage, Americans will not only help Ukrainian intellectuals such as Moroz and Plyushch, but they will also add lustre to freedom everywhere—including America.

Respectfully yours,

ROHDAN SALAMACHA,
President.

STEPHEN BASARAB,
Secretary.

Mr. BEALL. Mr. President, in closing let me read into the RECORD a letter which I received from the Baltimore Committee for Soviet Jewry. This group expressed its desire to see the Congress play an active role in enforcing the provision of the Jackson amendment. I too am committed to the assertion of a strong congressional role in this process and I believe that the modified Jackson-Mills-Vanik amendment will achieve this objective:

BALTIMORE COMMITTEE FOR SOVIET JEWRY,
Baltimore, Md., September 24, 1972.

Senator J. GLENN BEALL, Jr.,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BEALL: We deeply appreciate your past, unflagging support of Soviet Jewry, in particular the Jackson Amendment and the principle of free emigration.

It now appears very likely that the Ford administration, the Soviet government and the Senators who have backed the Jackson amendment will in the very near future agree on an acceptable basis for the trade bill.

It is our strong belief that there must be congressional, rather than presidential, safeguards on the ending of restrictive emigration and the harassment of those Jews who apply to leave. If, then, the Jackson amendment—after having been incorporated into the trade bill—is waived for a period of time by the President, we believe that the renewal of the waiver must be based on a full review of the situation by and a vote by Congress alone. For us, it is the legislative branch of government which must hold this power, not the executive.

We are hopeful that you will agree with this principle and that you will express this sentiment as soon as possible to President Ford so that there will be a legislative, rather than an executive, check on the trade bill.

Again, thank you so very much for your continuing support.

Sincerely yours,

SOL GOLDSTEIN,
Chairman.

Mr. TOWER. Mr. President, I welcome the emigration agreement worked out on October 18 and support the legislative provision introduced by Senators JACKSON, RIBICOFF, and JAVITS which allows a conditional waiver of the restrictions of the Jackson amendment.

It should go without saying that the Senate expects the Soviet Government to comply with the terms of the emigration agreement, as detailed in the letter exchange between Secretary Kissinger and Senator JACKSON, as a condition for congressional approval to renew U.S. trade benefits at the end of the 18-month initial waiver period. It is important to emphasize that, while the Kissinger letter may cover the totality of Soviet assurances received by the administration concerning Soviet emigration practices, the Senate expects that the administration will act on its commitment to include the points in the Jackson letter as criteria for determining Soviet eligibility for renewed trade benefits at the end of 18 months.

I wish to emphasize the point made in the letter agreement that, with application of the criteria for emigration practices and procedures outlined in the letters, the rate of emigration from the U.S.S.R. is expected to rise promptly from the 1973 level and continue to rise to correspond to the number of applications for exist visas. The Jackson letter sets as a minimum standard of initial compliance a benchmark of 60,000 visas to be issued during the first year. If harassment of would-be emigrants actually ceases, there is no question that at least 60,000 Soviet citizens can be expected to leave during the first year. There are currently more than 140,000 Soviet Jews alone who have fulfilled the prerequisite step for applying for a visa by having requested and received a written "invitation" to emigrate from a relative in Israel, but who have not yet been granted permission to leave the U.S.S.R. It is certain that many more would apply for exit visas if they were assured freedom from persecution by the Soviet authorities as retaliation against their application.

Soviet authorities repeatedly stated that fewer Jews are applying to leave and that this indicates a decreasing desire to emigrate. I am concerned about the methods Soviet authorities are reported to use to reduce the number of applicants so that they can make such claims.

Some of the newer methods reportedly being used by the authorities to reduce the number of applicants are evident in the city of Minsk. In Minsk, harassment of Soviet Jews is said to begin as soon as they receive the written invitation to emigrate from a relative abroad—that is, before they even have the opportuntiy to request formally the application documents. The authorities keep careful record of these invitations since they monitor all international mail. Many Jews who have received their invitation from a relative in Israel have subsequently been plagued by threatening calls from Soviet authorities aimed at intimidating them from making formal application to emigrate.

Other Jews have been fired from their jobs upon receiving the invitation. Still others are being pressured by Soviet authorities at their place of work to sign

documents aimed at curbing emigration, in which the signatories promise not to apply for either exit visas or visas to visit abroad; not to visit foreign embassies in the U.S.S.R.; and to refrain from correspondence with anyone abroad and contact with foreign visitors.

Another way the authorities are said to cut down on the number of applicants for visas is by making the task of obtaining a visa extremely difficult. For example, in the city of Kishinev, the visa office is open only 3 days a week and its employees are encouraged to handle only a handful of cases each day. A backlog now exists in Kishinev of more than 1,500 families waiting to begin their application process. So, in effect, Soviet officials can say that few families from that city have applied for visas.

Many other forms of harassment and purposeful bureaucratic red-tape are used to decrease the number of applicants. It is important to note that an "applicant", according to official Soviet definition, is a term used only for someone who has managed to obtain all the various documents required and to complete every step in the incredibly intricate application procedure.

All these forms of harassment, all these purposeful difficulties placed in the path of a would-be applicant must cease in order for the Soviet Union to be in compliance with the recently signed emigration agreement. The Congress intends to remain vigilent during the year-and-a-half waiver period to assure that such compliance is achieved.

Mr. WILLIAMS. Mr. President, the emigration agreement worked out between Senators JACKSON, RIBICOFF, and JAVITS and Secretary Kissinger, based on Soviet assurances, is a highly commendable one. It contains the elements necessary to assure unhindered emigration from the Soviet Union which many in the Senate have continually stated is a mandatory prerequisite for the extension of most-favored-nation treatment and a continuance of U.S. credit to the Soviet Union. Compliance by the U.S.S.R. with the provisions of that agreement will be a significant step in furthering the implementation of basic, internationally recognized human rights, and strengthening the process toward a meaningful United States-Soviet détente which we all desire.

I wish to stress that, in extending the authority to the President to extend MFN and credits to the U.S.S.R., the Congress firmly expects compliance by the Soviet Union with the terms of the emigration agreement. Violations of that agreement will result in the certain termination by the Congress of trade benefits to the U.S.S.R. at the end of the 18-month "waiver period." We expect that compliance to be in effect throughout the full 18-month period, rather than, for instance, merely at the end of that period under the false expectation that the Congress will consider such sporadic compliance as sufficient to warrant an extension of U.S. trade benefits to the U.S.S.R. Over the past year, in response to expressed concerns by my constituents, I have written to Soviet officials concerning dozens of Soviet citizens denied permission to emigrate from the U.S.S.R. Some of those have been allowed to leave; the majority of them are still held in the Soviet Union. Some have been waiting up to 3 or 4 years for permission to leave. As a result of the implementation of the emigration agreement, which provides that "applications for emigration will be processed in order of receipt, including those previously filed," I expect those individuals still in the U.S.S.R. about whom I have inquired to be allowed to emigrate promptly.

I wish to emphasize that this agreement applies to all citizens of Eastern bloc nations which do not now have MFN status, and it is not limited to the issue of Soviet Jews. However, I have been particularly concerned about those Soviet citizens who are in prison as punishment for their efforts to emigrate to Israel. My grave concern for their welfare prompted me to "adopt"—that is, to agree to take a special interest in, the cases of "prisoners of conscience" Yosif Mendelevich and Mark Dymshitz.

The letter of agreement on emigration from Secretary Kissinger to Senator JACKSON states that—

> Persons imprisoned who, prior to imprisonment expressed an interest in emigration, will be given prompt consideration for emigration upon their release; and sympathetic consideration may be given to the early release of such persons.

I wish to emphasize the importance of sympathetic consideration being given by the Soviet Government to the early release of such prisoners.

THE PRISONERS OF CONSCIENCE

There are 37 Soviet "prisoners of conscience"—individuals imprisoned in labor camps as punishment for their efforts to emigrate to Israel. The condition and treatment of Soviet prisoners of conscience which has been deteriorating over the previous few months, has not improved since the emigration agreement was signed on October 18.

The hard working conditions, meager food and lack of medical attention in the labor camps have compelled prisoners Lev Yagman, Anatoly Altman, and Leib Knokh, to write their last will and testament, as they fear they will not be able to survive much longer. Altman was recently denied a parcel containing medication he needed very badly.

On October 30, prisoners in a number of Soviet labor camps staged a massive hunger strike to protest against inadequate food, denial of necessary medical treatment, and unsafe conditions under which they are forced to work.

Prisoners Izrail Zalmanson and Boris Penson are denied the visits from relatives to which they are entitled in accordance with the rules of the labor camps.

Although camp regulations specify that prisoners can receive an unlimited amount of mail, no prisoner is allowed to receive all his mail and some are permitted to receive none of it. Prisoner Boris Azernikov has been put into solitary confinement for 6 months for protesting nondelivery of his mail.

Another prisoner, Hillel Butman, has been placed in solitary confinement for a second time, at the whim of the labor camp administrators.

The only real "crime" of these 37 prisoners has been their efforts to emigrate to Israel. They should be released and allowed to leave for the country of their choice. The Soviet Government's actions in regard to these prisoners will be a true indicator of their earnestness in ending the harassment and persecution of those who wish to emigrate.

Mr. BAYH. Mr. President, as one who has supported strongly the unrelenting efforts of the able Senator from Washington (Mr. JACKSON) to prevent the granting of most-favored-nation trading status to the Soviet Union pending a change in the restrictive emigration policies of that country, I am pleased to be able to vote for the Senator's amendment.

We are all aware of the recently announced agreements reached by the Senator from Washington with the administration, and the administration with the Soviet Union, to break the prolonged stalemate over this issue. I congratulate the Senator for his success in assuring that in exchange for the United States providing the Soviet Union with most-favored-nation status that the Soviet Union has agreed to relax its inhumane limitations on emigration, which have proven a special burden on Jews desiring to move from the Soviet Union to Israel and other countries.

I would remind my colleagues that we have a responsibility to keep a vigilant eye on the Soviet Union, to make certain that it adheres to its part of the unwritten agreement between our two countries. While I have no reason to doubt the good faith of the Soviet Union in upholding its end of the agreement, I am also not content to rely solely on the good faith of the Soviets and therefore intend to keep myself fully apprised of emigration practices in the U.S.S.R.

Time and again in recent years I have spoken here on the floor of the Senate in opposition to the restrictive emigration policies of the Soviet Union and noted how that policy violated the terms of United Nations principles. Time and again I have pleaded with the Soviets, urging them to recognize how their policies did such damage to international understanding and bilateral relations between our two countries.

I hope sincerely that as we proceed to pass the Jackson amendment, implementing the long sought agreement on this subject, that it will never again be necessary to raise this issue on the floor of the Senate. I hope the Soviet Union, and every other country, will adhere to the principles of the U.N. and respect the fundamental human right of free emigration. But I will not hesitate, and trust my colleagues will not hestiate, to bring this issue before the Senate again if the terms of this agreement are not fully satisfied.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington (Mr. JACKSON). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa

(Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I further announce that, if present and voting, the Senator from Georgia (Mr. TALMADGE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Arizona (Mr. GOLDWATER).

If present and voting, the Senator from Oregon would vote "yea" and the Senator from Arizona would vote "nay."

The result was announced—yeas 88, nays 0, as follows:

[No. 536 Leg.]

YEAS—88

Abourezk	Ervin	Moss
Aiken	Fannin	Muskie
Allen	Fong	Nelson
Baker	Fulbright	Nunn
Bartlett	Gravel	Packwood
Bayh	Griffin	Pastore
Beall	Gurney	Pearson
Bennett	Hansen	Pell
Bible	Hart	Percy
Biden	Hartke	Proxmire
Brock	Haskell	Randolph
Brooke	Hathaway	Ribicoff
Buckley	Helms	Roth
Burdick	Hollings	Schweiker
Byrd, Harry F., Jr.	Hruska	Scott, Hugh
Byrd, Robert C.	Humphrey	Scott, William L.
Cannon	Inouye	Sparkman
Case	Jackson	Stafford
Chiles	Javits	Stennis
Church	Kennedy	Stevens
Clark	Long	Stevenson
Cook	Magnuson	Symington
Cranston	McClellan	Taft
Curtis	McClure	Thurmond
Dole	McGee	Tower
Domenici	McGovern	Tunney
Dominick	McIntyre	Weicker
Eagleton	Metcalf	Williams
Eastland	Metzenbaum	Young
	Mondale	

NAYS—0

NOT VOTING—12

Bellmon	Hatfield	Mansfield
Bentsen	Huddleston	Mathias
Cotton	Hughes	Montoya
Goldwater	Johnston	Talmadge

So Mr. JACKSON'S amendment was agreed to.

Mr. JACKSON. Mr. President, the action of the Senate today is the culmination of a struggle for human rights that began some 27 months ago. Over the last 2 years countless Americans of diverse religious and national backgrounds and of differing political persuasions and occupations have worked long and hard to bring about the result that we are enacting today. Many thousands of my fellow citizens have expressed their support for the effort to associate freer trade with progress toward the freer movement of peoples between East and West. The American press has helped arouse the conscience of so many in the West by focusing on the human rights aspects of a genuine détente.

Above all, Mr. President, we have been sustained and inspired throughout a long and difficult struggle by the bravery and resourcefulness and dedication of those individuals who are standing up in the Soviet Union and other such countries to demand their fundamental human right to emigrate promised them in the Universal Declaration of Human Rights which was adopted unanimously 26 years ago this week.

Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina is recognized for the purpose of bringing up his amendment.

The Senate will be in order. Senators will take their seats. The Chair requests the cooperation of Senators.

Mr. HELMS. Mr. President, on the condition that I do not lose my right to the floor, I yield for a unanimous consent request to the Senator from New Jersey.

Mr. CASE. Mr. President, I ask unanimous consent that during the remainder of the Senate's consideration of the trade bill, a member of my staff, Vivian Lewis, have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, will the Senator yield for a unanimous consent request?

Mr. HELMS. Mr. President, on the same condition, I yield to the Senator from New Hampshire, the Senator from Indiana, and the Senator from Wisconsin.

The PRESIDING OFFICER. Under the rules of the Senate, the Senator cannot yield without unanimous consent. The Chair will assume that the Senate gives unanimous consent, and the Senators will be recognized on their own time.

Mr. McINTYRE. Mr. President, I ask unanimous consent that a member of my staff, Miss Elizabeth Webber, be permitted the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that Paula Stern, a member of my staff, be permitted the privilige of the floor during the course of the debate on the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I make the same request with respect to Mrs. Dixon and Mr. Connaughton, of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that Charles Warren and Frank Ballance, of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2022

Mr. HELMS. Mr. President, I think there has been sufficient discussion of my amendment, and I have been most gratified by the acceptance of it by the distinguished Senator from Connecticut, the distinguished Senator from New York, and the distinguished Senator from Washington, provided there be a slight modification of my amendment, which I must say I really do not desire. However, in the interest of not holding up the Senate and in the interest of receiving consideration for the bulk of the amendment, I shall ask unanimous consent to modify the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. Mr. President, I modify my amendment as follows:

On page 2, line 8, delete the words "to visit, or".

On page 3, line 7, delete the words "to visit close relatives in the United".

On line 8, delete the words "States or".

At the end of line 8, strike the words "them" and substitute therefor the words "close relatives".

Mr. JAVITS. Mr. President, there are two points missing which I am sure is through inadvertence.

One item is one page 2, line 12. The words "a visit or" should be stricken.

The other is on page 2, line 16, where the words "make a visit or to" should be stricken.

Mr. HELMS. Mr. President, will the Senator please repeat that?

Mr. JAVITS. On page 2, line 12, the words "a visitor or" should be stricken.

Mr. HELMS. Very well.

Mr. JAVITS. On page 2, line 16, the words "make a visit or to" should be stricken.

Mr. HELMS. I regret to impose on the Senator from New York, but would he repeat the last one?

Mr. JAVITS. On line 16 on page 2, in the middle of the line, delete the words "make a visit or to" so as to make it read "such citizen to emigrate".

Mr. HELMS. Very well. I send the modification to the desk.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

Mr. HELMS' amendment (No. 2022), as modified, is as follows:

On page 264, after line 18, insert the following:

"SEC. 409. FREEDOM TO VISIT, AND TO EMIGRATE TO JOIN, A VERY CLOSE RELATIVE IN THE UNITED STATES.

"(a) To assure the continued dedication of the United States to the fundamental human rights and welfare of its own citizens, and notwithstanding any other provision of law, on or after the date of the enactment of this Act, no nonmarket economy country shall participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

"(1) denies its citizens the right or opportunity to join permanently through emigration, a very close relative in the United States, such as a spouse, parent, child, brother, or sister;

"(2) imposes more than a nominal tax on

the visas or other documents required for emigration described in paragraph (1); or

"(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate as described in paragraph (1), and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2), or (3).

"(b) After the date of the enactment of this Act, (A) a nonmarket economy country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (B) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country shall include information as to the nature and implementation of its laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate to the United States to join close relatives. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter, so long as such credits or guarantees are extended or such agreement is in effect.".

On page 261, lines 2 and 6, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 262, line 24, strike out "402(b) or 403(b)" and insert "402(b), 403(b), or 409(b)".

On page 263, line 17, after the period insert the following: "Clause (A) shall not apply with respect to a report submitted under section 409(b)."

On page 90, line 17, strike out "'402(b)' or '403(b)'" and insert "'402(b)', '403(b)', or '409(b)'".

Mr. JACKSON. Mr. President, will the Senator yield at that point?

Mr. HELMS. I yield, gladly.

Mr. JACKSON. I just want to make the legislative record clear. I want the record to be clear that in the judgment of the author of the amendment that was just adopted by unanimous vote, the right to emigrate for that purpose is included. I do not want to create a legislative history here in which the opposite interpretation could occur. I support the modified amendment, but I am very much concerned that we do not create a legislative history that could do the reverse of what the Senator from North Carolina would want to do, and what I would want to do.

Mr. HELMS. I thank the Senator for his statement.

Mr. President, briefly, since we have covered this area earlier in the day, the amendment which I have offered differs from the amendment of the Senator from Washington (Mr. JACKSON) in one or two respects.

First of all, my amendment covers Poland which the amendment of the Senator from Washington does not.

My amendment provides for executive accountability, whereas my interpretation of the Jackson amendment, which I wholeheartedly supported as far as it goes, indicates to me that it is based on an assumption that the administration can and has already gained assurances of free emigration for all people. It gives the administration freedom of interpretation, which may or may not be important.

We know what assurances we have: We have absolutely no assurances, Mr. President, not even for the Soviet Jews, and I want to reiterate a statement made on December 3, 1974, by the Honorable Henry Kissinger, Secretary of State:

> But let me point out, in order to be precise, what it is that the Soviet leaders have described to us. The Soviet leaders have not made an assurance, have not made a commitment to the Government of the U.S.

My amendment specifies very close relatives, which is a very specific category. It provides for a built-in monitoring system, because relatives in the United States would be able to keep Congress informed without waiting for organized groups or Senate committees to investigate. The potential pool of emigrants is a known category.

I would call to the attention of the Senate, that section 408 of title 4, provides that Czechoslovakia cannot get trade benefits until it pays "all principal amounts it owes to citizens and nationals of the United States in settlement of World War II claims."

The question comes to mind, Mr. President, if Czechoslovakia can be excluded until it does something for U.S. citizens, certainly other nations can be denied benefits until they do something for U.S. families. We have bent over backwards to protect the economic interests of U.S. citizens from Czechoslovakia. Why, for humanitarian reasons, can we not do it for all?

I do not have a large Polish constituency in North Carolina, but what I am doing, or trying to do, Mr. President, is to achieve justice for all on a nondiscriminatory basis, and I am sure that motivation is shared by others.

Mr. President, in conclusion I want to pay tribute to a single individual, a private citizen, who has worked unceasingly to bring the matters covered in this amendment to the attention of the Senate and the American people. I am referring to Szabolcs Julius Mesterhazy, an American citizen who came to this country after escaping from Hungary on a cold New Year's evening after the Hungarian uprising of 1956. Mr. Mesterhazy's wife and part of his family had preceded him across the border on Christmas. When his turn came, he had to follow; but a 12-year-old son, as luck would have it, was too sick for the dangerous 20-mile tramp between the lines of Communist troops. In those momentous decisions that often must be made in a minute's time, the son had to be left behind.

All these years, he has been trying to bring his son to join the rest of the family. Mr. Mesterhazy was a vigorous supporter of the Jackson-Vanik amendment. As a private citizen, he came at his own expense—and his means are modest—to testify before the Senate Finance Committee. His English is not perfect, but both the distinguished chairman of the committee (Mr. LONG) and the distinguished Senator from Georgia, Mr. TALMADGE, paid well-deserved tribute to his unusual sincerity and eloquence, and made great efforts through the State Department to get permission for his son to emigrate.

The results were not encouraging. The State Department reported from the Hungarian Government that his son was reluctant to come. It was the same old story: the duplicity of Communist bureaucracy. His son's own words, privately, and through other sources, attested to his willingness. But it emphasized the futility of mere negotiations without a stick to back up diplomacy in other words, the need for something beyond Jackson-Vanik with the waiver.

As a private citizen, he took the Senate on by storm. What many vast lobbies were unable to do, he has done. Indeed, it was Mr. Mesterhazy himself who brought the need for this amendment to my attention. His own case and that of his son graphically illustrate the human concerns that lie behind this measure. His dedication and devotion to this cause has brought about this one-man effort to convince the Senate of the need-not only for his own son, but for all disunited families. This is really a citizen's amendment; I disclaim credit for it. It rises above the ideological concerns and differing philosophies to unite all men of good will who abhor discrimination and oppression.

Mr. JAVITS. Mr. President, I yield myself 1 minute to say again, within this context, that the comments of Secretary Kissinger, in the first place, I do not believe changed the terms of the law, nor did he intend to, nor do his comments read that way; but as there was intensive discussion about the question of Jews in the Soviet Union, he naturally referred to that.

The law is clear and the purpose is clear, as stated by Senator JACKSON, and I see no possibility of confusion in the terms of the Jackson amendment, as adopted.

Mr. RIBICOFF. Mr. President, I commend the Senator from North Carolina. I know his concern. The Helms amendment will take care of people in situations like that of Mr. Mesterhazy's son, which has concerned the Senator from North Carolina, the Senator from South Carolina, and the Senator from Nebraska.

On behalf of the management, I am authorized to state that we will accept the amendment, and be more than willing to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 2022, as modified) of the Senator from North Carolina.

The amendment, as modified, was agreed to.

AMENDMENT NO. 2041

Mr. HARTKE. Mr. President, I intend to call up amendment No. 2041, on the question of what are called items 807 and 806.30 of the U.S. Tariff Schedules. Before I discuss that in particular, I had left the floor earlier to visit with some people from the State of Indiana, including the mayor of Tell City, Ind., in the southern part of the State. I think our visit really illustrates what I was talking about before, when I stated some of the problems.

The mayor pointed out that unemployment in their city has reached 14 percent, and according to projections, by the end of the year it will be in the low

twenties. The major supplier of employment in that area is a multinational corporation, and rather than expand in the city of Tell City, they have taken most of their other activities and gone overseas.

This just illustrates again what the activity is in regard to putting some type of financial restriction upon the people who are receiving special tax benefits, who invest overseas.

Mr. President, this seems to be a rather technical amendment. It deals with items 806.30 and 807 of the U.S. tariff law. The purpose of those items was to help sustain American independence, but their actual effect has been to help export U.S. jobs, expand production abroad for the U.S. market and add to America's worsening trade balance and eroded industrial base. They are merely extra breaks in U.S. tariff law for imports—benefits added to the foreign advantages of cheap labor, tax breaks, and subsidies for foreign production.

These provisions have rightly been called the "icing on the cake." As over $4 billion of toys, garments, auto parts, aircraft parts, and hundreds of other products flood the U.S. market, under these provisions no extra "icing" should be available in U.S. law. These provisions have not developed, as Congress intended, to help American trade. They have merely created more distortions in the U.S. economy and have aided the expansion of multinational firms in foreign countries. They should be repealed.

In everyday terms, the provisions sound fair. Item 807 provides that imports of products which have been assembled abroad from U.S. components will be charged a tariff only on the value added abroad. Item 806.30 provides that metal processed abroad will also get a similar tariff reduction for its "U.S. content" when reimported.

But in practice, the results have been serious for many types of U.S. production and jobs. Under item 807, parts of a bathing suit, for example, can be cut in the United States, shipped to Mexico for sewing and reimported—with tariff charged only on cost of the Mexican labor, where pay may be 70 cents an hour, just south of the U.S. border.

The same principle applies to many different industries. This area has attracted U.S. firms of every size in auto parts, aircraft parts, garments, electronics, toys, steel products, et cetera. In the 7 years, from 1967 to 1974, such imports from Mexico alone have grown from about $20 million to a predicted $1 billion this year. Mexican jobs have grown from an estimated 4,000 to an expected 112,000. And Mexico is just the closest and clearest example of the problem of U.S. trade in items 806.30 and item 807. Most other countries of the world are also entitled to use these items. Recently Haiti has become a fast-growing source of labor at $1.60 a day to assemble "U.S." exports. Many, like Mexico, have closed economies and require production of certain products in their country whenever their industrialization plans make it possible. Thus, over time, more and more of the production transfers to other countries. Eventually, the United States does not import the TV sets or auto parts under item 806.30 or item 807. It merely imports the entire finished product.

Defenders of the items insist that U.S. jobs are thus "protected" because otherwise the United States would not have any production. If this is true, the United States should have trade barriers like other countries—not encourage the export of new and old industries. While the Government has never bothered to trace the actual job losses, the evidence from San Francisco, Los Angeles, Philadelphia, Long Island, and many other cities and towns shows that the jobs of Americans have been and are being exported. United States labor loses at every part of this process—and foreign labor seldom benefits. As soon as wages rise in a low-wage country, those who use 807 or 806.30 often move to a lower wage area. Thus decent labor standards and living conditions are avoided everywhere.

As giant firms have been able to move rapidly from nation to nation, U.S. customs officials have been unable to keep up with the flood of trade. Attempts to enforce these provisions have led to charges that the "U.S." exports were really produced in some other country, that the production costs have been falsified and that other provisions of the law have not been followed by importers.

But even if the United States wanted to have such a complicated, technical administrative problem for over $4 billion worth of imports the results of these provisions have not benefited the United States. In order to qualify for the tariff break, the product must be reimported. Thus there is not a real "export," except of jobs and production facilities. This is not "free trade" but guided importing. With a trade deficit of about $8 to $10 billion expected next year, it seems unlikely that the United States can afford any extra advantages for foreign production to penetrate this market. Nor can other nations afford it, because the temporary "benefits" to the exploited labor abroad are gradually being reduced as the markets in the United States no longer can absorb even more production from the other countries of the world.

The repeal of items would not affect trade agreements or change all the advantages that now exist abroad to produce for export to the U.S. market, according to the Tariff Commission. They would merely remove the "icing on the cake"—the extra incentive to expand abroad, avoid U.S. taxes, avoid U.S. labor conditions but get the advantages of U.S. prices.

The repeal of these items would not put U.S. firms at a disadvantage compared with foreign firms. The Tariff Commission reported that no other country had an identical provision. As Japanese-based multinationals and European-based multinationals use this privilege in the U.S. market, it seems time to modernize the U.S. law by repealing these two outmoded provisions.

EXPANDS INDUSTRY ABROAD

The purpose of items 807 and 806.30 is supposedly to promote trade. But the result has been to promote investment and to spur the economies of the world where free trade is particularly not part of their beliefs. The one thing that is plentiful in the world is cheap labor. And items 807 and 806.30 start with cheap labor in many instances, though wage rates are usually lower than in the United States in other countries. And the labor must stay cheap, so that living standards do not rise too rapidly. See article on Singapore and Taiwan. See examples from article on U.S. labor and multinationals.

THE EXPORT OF JOBS

From large cities and small towns, America has exported jobs in a literal sense in the use of item 806.30 or item 807. The official U.S. Government Tariff Commission Statistics showed over 100,000 jobs abroad by 1970. That is the equivalent of one-tenth of 1 percent in the U.S. unemployment rate. Since then, the "trade" has expanded so fast that there are more than 200,000 jobs, even according to such estimates based on the "official" job estimates of the Tariff Commission.

But the realities of job losses are not statistics. They have to do with human beings in many parts of the United States who have been affected by this exodus. They have to do with human beings in other parts of the world. They have affected many different types of industry—from apparel to aerospace. They have affected large cities and small towns—in different parts of the United States.

Mattel Toy in Los Angeles—an adjustment assistance case—sent jobs to the Mexicali plant from Los Angeles where it now employs 2,700 workers, according to recent reports. See Wall Street Journal of Commerce Stories.

RCA operates all over the world, but it shut a Memphis, Tenn., plant about the time it moved to the Mexican border area. The jobs in Juarez were estimated at 3,000 to 6,000. The newest RCA plant in the United States was shut in 1970. RCA was expanding abroad, in Taiwan and in other countries, as well as in Mexico.

Lockheed Electronics Equipment was reported to be assembling aerospace equipment in Hong Kong, employing 700 workers at $2 a day in 1973.

The PRESIDING OFFICER. The Senator will suspend.

There is too much conversation, both by the staff and the Senators, throughout the Chamber. Would Senators please take their conversations to the cloakroom? Will Senators please take their seats?

Mr. HARTKE. General Instruments also has many foreign connections—its Chicopee, Mass., plant and its Tazewell, Va. plants closed, but it had some operations on the Mexican border.

We could go on through. There is not a State in the Union that has not been adversely affected.

All of these people have had their telephone calls this weekend from their manufacturers, insisting that this trade bill be passed. But you ought to listen to the workers who have been thrown out of work by this section alone. Those workers have no voice in this Congress. They have no voice in the Senate, to go

ahead and have them protected in their jobs. They are going to the unemployment rolls. They are going to the welfare rolls.

THESE ITEMS ADD TO IMPORTS

Because "exported" parts of products must be returned to the United States as imports in order to qualify for the special tariff breaks, any product which is imported under item 807 is an extra import. The "export" in the form of parts was returned and therefore should not be counted as an export.

The imports have been increasing most rapidly from the lowest wage countries of the world. They have been increasing in ever more sophisticated equipment, as U.S. firms and foreign firms increasingly use these provisions to expand their global interconnected worldwide systems.

But just using the Department of Commerce data, imports have risen from $1 billion in 1967 to $4 billion in 1973. In the first 8 months of 1974, imports reached $3.7 billion. However, detailed data are available only from 1969 to 1973. These reported trends show:

In 1969, the United States imported a total of $1.8 billion under both items. In 1973, the United States imported a total of $4.2 billion. This is a rise of 130.6 percent. The so-called U.S. "content"—that is, the U.S. parts "exported" and returned as assembled products—has risen slightly less rapidly—128.3 percent. In the first 8 months of 1974, imports were up to $3.7 billion—27.9 percent higher than in the same period of 1973.

But the sharpest shift has been in the source of the imports. In 1969, 78.6 percent came from the developed countries and 21.4 percent from the less-developed countries. These percentages tell a part of a much bigger story:

In 1973, 69.1 percent were from developed and 35.9 percent from the less developed countries. Under item 807, 77.7 percent came from developed countries in 1969 and 22.3 percent from developing countries. In 1973, only 65.7 percent came from developed countries and 34.2 percent from developing countries. Under item 806.30, 86 percent of imports in 1969 came from developed countries and 13.9 percent from developing countries. In 1973, 49 percent came from developing countries.

These figures show a sharp shift—in the value of the trade reported. There is no reason to spur trade in special duty-free U.S. imports from developed countries—most of which have trade surpluses with the United States already. From developing countries, the initial export is in American jobs to the cheapest labor areas of the world in many cases. The latest example is Haiti, where only $8 million in imports accounted for a reported 20,000 Haitian jobs, at $1.60 a day. Thus the fact that there is a sharp increase in imported value from the developing countries means there is probably an even sharper increase in the export of jobs, because the labor rates in the areas of exploited, poverty stricken labor, add up to very small signs in the reported trade value. As imports begin to come in from Yugoslavia, it would be interesting to know how the value is reported—on what basis of labor costs.

But even when countries begin to send in sophisticated equipment under these items, their very low wages can disguise the size of the impact on the United States. Thus the Singapore export of labor-intensive item 807 and 806.30 production is made by labor in fully employed economy of 2.2 million people at wages about one-fifth of those in the United States, according to July 1974 Fortune the size of the nation—225 square miles. The population 2.2 million. But jobs have been exported to this fully employed economy—where labor is imported—as American "offshore" users of 807 and 806.30 have been principal participants among the 425 U.S. firms located there. See Fortune, July 1974. If labor rates increase, as they are expected to, Singapore like Taiwan will get rid of the labor-intensive production—as long as her own population is employed. Singapore exports under item 807 increased from $6.8 million in 1969 to $120.8 million in 1973. Not all of that increase is in labor rates or costs, as Singapore now has so much more sophisticated production that production of labor-intensive work no longer interests its managerial governing group.

THESE ITEMS REQUIRE HIGHER U.S. IMPORTS THAN EXPORTS

Since any export under these items must be returned to the United States in order to qualify for 806.30 and 807 treatment, there is always a surplus of the value of imports over the value of exports in 806.30 and 807 trade. Thus, by definition, they show a deficit in their trade balance.

By definition, also, jobs are exported and are included as part of the higher import value. Yet defenders of these items insist that jobs are kept in the United States that "otherwise" would have been shipped abroad. The proof of this claim has never been made; it depends on theory and theory alone. Meanwhile, the function of items 806.30 and 807 is to pile up a trade deficit in the products exchanged under these items—a built in incentive to depress U.S. exports and increase U.S. imports.

And that is precisely the way it has worked. As government and industry and academic studies pursue the theoretical view that "free trade" exists, what happens is that the U.S. trade balance declines, particularly in items 806.30 and item 807. Yet defenders of the item still talk about "helping" U.S. jobs and exports. By definition, jobs are exported and imports must be greater than exports. Otherwise there is no use to the provision at all.

Let us examine the facts—the record on how many imports and how many exports are reported in these items: In 1966, there were total imports of $953 million. This included $147.5 million in "exports" of components which came back as finished products and $805.5 million of foreign production imported and paying duty. Thus the trade deficit was $658 million in 1966. In 1973, there were total imports of $4.2 billion. Of this amount, $3.2 billion was imported foreign labor and production. And U.S. "exports" amounted to $1 billion. The defenders will tell you that U.S. exports have risen. But those "exports" had to be reimported. Even if they were not, the trade balance between the "exports" and "imports" had increased to minus $2.2 billion—an increase of 238.8 percent in the trade deficit. With help like that no nation could ever get into the black on its trade balance.

But those imports are used by multinational firms to export from the United States, it is claimed. If so, the United States should have shown a huge increase in its exports year after year. But that did not happen. U.S. exports have been in deficit in most of the 1970's and it was only in 1973 that the United States temporarily came into the black. Most experts attribute that to devaluation, DISC—an export subsidy; Eximbank—another subsidy; and the rise of industrial production abroad.

ADMINISTRATION OF THESE PROVISIONS IS DIFFICULT

With billions of dollars worth of production pouring into the United States, the technicalities of these provisions have proved difficult to enforce. The Treasury Department has improved its efforts to get a better compliance with the law, but the results appear to be mixed. Judging from the Wall Street Journal story of November 6, 1974, there has been a crackdown by customs. The report shows that a "crackdown by the Customs service, on companies—notably multinational companies—that allegedly underpaid or fail to pay duties on goods imported into the United States. But the Journal of Commerce reports that there has been a speedup of customs service on the Mexican border—with very little interference and an effort to speed business interchange.

But the Wall Street Journal story shows that fraud has even occurred in the reporting of labor costs in the world's low-cost areas.

Differences in reporting and differences in estimating costs are noted in both of these news stories. One thing is certain. The complicated provisions of items 806.30 and item 807 are making it difficult for the Government to have enough surveillance of very special kinds of avoidance of the rules. Yet those who oppose repeal of item 807 and 806.30 are always those who oppose any interference with free trade.

AMENDMENT NO. 2041

Therefore, Mr. President, I call up my amendment No. 2041 and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk proceeded to read the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 119, beginning with line 23, strike out through line 4 on page 121 and insert in lieu thereof the following:

"(f)(1) For purposes of subsections (a) and (c), the suspension of the designation of any article as an eligible article for purposes of title V shall be treated as an increase in duty.

"(2) No proclamation which provides solely for a suspension referred to in paragraph (1) with respect to any article shall be made under subsection (a) or (c) unless the Commission, in addition to making an affirmative determination with respect to such article under section 201(b), determines in the course of its investigation under section 201 (b) that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the designation of the article as an eligible article for the purposes of title V.".

On page 192, between lines 17 and 18, insert the following:

"SEC. 284. REPEAL OF SPECIAL CLASSIFICATION PROVISIONS OF THE TARIFF SCHEDULES RELATING TO ARTICLES ASSEMBLED, REPAIRED, ALTERED, PROCESSED, OR OTHERWISE CHANGED IN CONDITION ABROAD.

"(a) Subpart B of part I of schedule 8 of the Tariff Schedules of the United States is amended by striking out item 806.30 and item 807.00.

"(b) The amendment made by this section applies with respect to articles entered, or withdrawn from warehouse, for consumption or or after the 90th day after the date of enactment of this Act."

On page 192, line 18, strike "SEC. 284" and insert in lieu thereof "SEC. 285".

On page 192, line 19, strike "Chapters" and insert in lieu thereof the following "Except as provided in section 284, chapters".

Mr. FANNIN. Mr. President, I feel that if there is any item that has been mentioned so far which can be regarded as being detrimental to foreign trade it is this amendment. This is not only devastating to the jobs here in the United States of America but it is detrimental to the standpoint of the revenue to many companies that are able to stay here in the United States and operate here in the United States, because of their being able to work with the provisions of 806.30 and 807.00.

Mr. President, contrary to the views of the proponent of this amendment, items 806.30 and 807.00 create jobs rather than export them. This has been brought forth in hearings in the House of Representatives, and also in the discussions in the Senate Finance Committee.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. FANNIN. I yield but without losing my right to the floor.

H.R. 16596—EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974

Mr. NELSON. Mr. President, I ask that the Chair lay before the Senate a message from the House.

The PRESIDING OFFICER. The Chair asks that the Senator request unanimous consent.

Mr. NELSON. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 16596, the Emergency Jobs and Unemployment Assistance Act of 1974.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the Chair laid before the Senate H.R. 16596, the Emergency Jobs and Unemployment Assistance Act of 1974, which was read twice by its title.

Without objection, the Senate will proceed to its consideration.

Mr. NELSON. Mr. President, I move to strike out all after the enacting clause and insert in lieu thereof the text of S. 4079 as passed by the Senate yesterday.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin to strike out all after the enacting clause and to substitute the text of the Senate bill (S. 4079) therefor.

The motion was agreed to.

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

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

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 16596) was passed.

The title was amended so as to read: "A bill to provide assistance for unemployed persons through public service employment programs and special unemployment benefits."

Mr. NELSON. Mr. President, I move that the Senate insist upon its amendment and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. NELSON, Mr. WILLIAMS, Mr. RANDOLPH, Mr. KENNEDY, Mr. MONDALE, Mr. CRANSTON, Mr. HUGHES, Mr. HATHAWAY, Mr. JAVITS, Mr. DOMINICK, Mr. SCHWEIKER, Mr. TAFT, and Mr. BEALL conferees on the part of the Senate.

TRADE REFORM ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

Mr. FANNIN. Mr. President, referring to the items 806.30 and 807.00, these items reflect what has long been U.S. practice to help both our industries and our employees by encouraging the use of U.S.-made parts and products which are processed or assembled outside of the United States by charging duty only on the value added in the foreign countries. If we eliminate these items the present U.S. content in such products will be reduced or eliminated. In the process we will subtract American jobs now involved in making the products which are shipped abroad. If these items are repealed manufacturers will be forced to reduce employment in this country in their U.S. operations.

Mr. President, this conclusion is supported by the U.S. Tariff Commission in their report entitled "Economic Factors Affecting the Use of Items 807.00 and 806.30." So, Mr. President, this is factual information and these items should not be considered hurriedly on the floor of the Senate, without hearings, without full information that certainly is not available and could not be given in the time that we have had.

Mr. President, the Commission found that the net effect of repeal would be both a $150 million to $200 million deterioration in the U.S. balance of trade, but also a net loss of jobs to the United States.

A study was made, Mr. President, we are talking about an item that should not be hurriedly considered. We are talking about something that should be given great attention.

Mr. President, semiconductor manufacturers, for example, have been generating a trade surplus well over $125 million a year. Further, semiconductors are building blocks for electronic products which U.S. companies are most successful in selling abroad.

Semiconductors represent from 15 to 25 percent of the cost of computers and, to a significant degree, are responsible for the U.S. leadership in computer technology.

So, Mr. President, we are talking about a very serious matter.

In 1972, these two industries contributed a favorable balance of trade of approximately $1 billion. Repeal of these provisions would cause a decline in U.S. production and U.S. employment.

Now, we could go to some of our States—in fact, I have had the experience in my own State of Arizona, which is typical of many border States.

After seeing the economically depressed border area come alive in the last 2 years through the border industrialization program, I wish to emphasize the support of my constituents in Arizona for the retention of tariff schedule 807.00. I am sure would have the support of constituents of many of the States represented in the Senate.

Jobs have developed in both Mexico and Arizona, because of the program. Approximately 3,500 new jobs have been created in Arizona in the past 3 years, in the small State of Arizona, and an estimated 3,250 jobs in the neighboring State of Sonora in northern Mexico, just across the border.

With this increase in jobs have come increased retail sales, growing bank deposits, and increased community prosperity.

Nogales, Ariz., has reported retail sales per person totaling $2,320 compared with $1,676 for the State.

Mr. President, we have a favorable balance of trade with Mexico. We have every reason to work with the leaders of Mexico to try to increase this balance of trade and to increase our trade programs with them.

Mexico is a heavy user of goods of U.S. origin, thus creating a share of jobs for U.S. citizens. The continuation of our tariff policy will assist our good neighbor policy with Mexico with our favorable balance of trade being maintained.

Mr. President, we have not had hearings, we have not done the work which is necessary to make the determinations

that would be involved in voting upon this particular item.

I feel it would be very unfair, and certainly I feel that the administration should have a chance to speak on this subject, because of the negotiations that are going on between the President of Mexico and the President of the United States. I know that when we have met in conferences in interparliamentary conferences this has been a subject of great discussion. It is something that has been of tremendous benefit to both countries.

So I hope, Mr. President, that my colleagues will realize the serious matter involved and that they will vote down the amendment. For this amendment would create far greater problems than anyone realizes.

The comity with Mexico and the relationship that we have with the Latin American countries is a very serious proposition. So, Mr. President, I just hope that we can defeat this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana (putting the question).

Mr. HARTKE's amendment was rejected.

AMENDMENTS NOS. 2054 AND 2055

Mr. LONG. Mr. President, the amendment proposed by Mr. HATHAWAY has been modified. In fact, there are two Senators' amendments, and I ask that they might be considered en bloc.

The PRESIDING OFFICER. Does the Senator ask unanimous consent to modify the amendment?

Mr. LONG. I ask unanimous consent that the amendment by the Senator from Maine be modified in that fashion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report both amendments.

The legislative clerk read as follows:

On page 22, line 25, strike the period and add the following:

", provided however, that the provisions of this paragraph shall not be applicable to import sensitive items, including, but not limited to, footwear."

On page 234, line 16, add the following:

"the final determination on complaints filed six months or more prior to the enactment of this Act shall be made not more than six months after the enactment of this Act."

Mr. HATHAWAY subsequently said: Mr. President, to begin, I want to commend the Senate Finance Committee and especially its chairman, Mr. LONG, for the admirable job they have done drafting a revised version of the Trade Reform Act of 1974. This major piece of legislation will have far-reaching effects to the promotion of trade on a worldwide scale and I think that the bill as reported out of the Finance Committee contains provisions which are a great improvement over provisions we have seen from the administration and the House.

However, I have some substantial problems with the sections dealing with countervailing duties, and I offer two amendments which I feel will materially improve this section. The first amendment, as modified, would prohibit the waiver of otherwise mandated countervailing duties in cases involving import sensitive items such as footwear.

The committee version of this bill strengthens the countervailing duty statute to insure that a determination will be made within a year's time on any petitions filed on countervailing duties. However, at the end of that year, under the terms of section 303(d) in the bill, the Secretary of the Treasury would not be required to actually impose those duties for whatever is left of a 2-year period from the date of enactment of this act.

The committee bill requires that the Secretary make a tentative finding within 6 months from the date the petition is filed. He has another 6 months, after he has made this initial determination, to negotiate some form of relief for the industry being adversely affected, or convince the country to stop this illegal practice. It seems to me that if after a full year of investigation and negotiation, the Treasury Department is unable to come to some form of agreement with an offending country, that country should not be allowed to continue its illegal practice or practices to the detriment of an import sensitive domestic industry for another substantial period of time. How long should we force a domestic industry to suffer when it is already established that a country is engaging in practices explicitly prohibited in the language of the countervailing duty statute?

I feel that we should not allow foreign governments who are admittedly engaging in illegal practices to get away with this sort of masquerade at the expense of one of our own already-suffering industries.

We lend respectibility to such bounties and grants by allowing the system to operate at all, even during the period of negotiations. Further, proper enforcement of the countervailing duty law is more likely to lead to meaningful international agreements on export subsidies than nonenforcement, for the simple reason that there will be little inducement for those of our trading partners who engage in such subsidy practices to negotiate seriously.

For these reasons, my first amendment proposes that the 2-year discretionary authority in this section not be applicable in the case of import sensitive items such as footwear.

My second amendment deals with the problem of complaints filed at Treasury before the enactment of this act. Under the present bill, only those cases officially initiated at Treasury before enactment are subject to the time limitations in the bill. Unfortunately, there are no time limitations on complaints filed, but which have received no Treasury action. My amendment, as modified, would require Treasury to reach a final determination on all those complaints which were filed more than 6 months before the enactment of this act within 6 months after enactment.

I can appreciate that this amendment could cause some problems for Treasury with the 25 or 30 cases that have been filed which they have not yet acted upon. Since previous law or regulations provided no definition of "petition," the question will arise as to the adequacy of the complaints filed in the past as a basis for action.

While recognizing this problem, I feel that Treasury can gather whatever additional information is necessary to complete these previous filings which can then form the basis of action within 6 months.

The alternative to this amendment is that cases which have been filed—some as long as 3 or 4 years—and which have not been officially begun by Treasury can continue to be untouched indefinitely.

I understand that these two amendments are acceptable to the committee. I appreciate the cooperation of the distinguished committee chairman, Mr. LONG, and the ranking minority member, Mr. BENNETT, in the consideration and disposition of these amendments and again compliment them on the outstanding work they and their committee have done on this bill.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Maine (Mr. HATHAWAY), as modified, en bloc.

The amendments, as modified, were agreed to en bloc.

Mr. McINTYRE. Mr. President, I ask unanimous consent that I may be added as a cosponsor to the amendments just accepted which were offered by the distinguished Senator from Maine.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2053

Mr. McINTYRE. Mr. President, I call up my amendment No. 2053 now at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. McINTYRE) proposes an amendment, No. 2053.

The amendment is as follows:

On page 14, at the end of section 101, insert the following section:

(d) Notwithstanding other provisions of this Act, if imports of an article or grouping thereof exceed 33⅓ per centum of apparent domestic consumption during three of the preceding five calendar years, and if a domestic industry exists producing articles like or directly competitive with the imported articles, the President shall be precluded from making any reduction in tariffs, duties, or import restrictions on such articles unless the President makes an affirmative determination that such reductions would not injure or threaten to injure a domestic industry producing like or directly competitive with the imported article.

Mr. McINTYRE. Mr. President, I ask at this time unanimous consent that I may modify my amendment in the following manner. On line 2, delete the word "an" and substitute in its place "a manufactured".

The PRESIDING OFFICER. Without objection, it is so ordered.

Will the Senator send the amendment to the desk?

Mr. McINTYRE. As modified.

The PRESIDING OFFICER. As modified.

Without objection, the amendment will be so modified.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the names of the following Senators may be added as cosponsors of the amendment: Mr. MUSKIE, Mr. EAGLETON, Mr. HATHAWAY, Mr. SYMINGTON, Mr. SCHWEIKER, and Mr. HARTKE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, this amendment attempts to assure that there will be maintained a minimal protection for those industries which at the present time are suffering a very high degree of import competition. It provides that if imports exceed 33⅓ percent of apparent domestic consumption during three of the last 5 calendar years in competition with comparable domestic products, the President shall be precluded from making reductions in tariffs, duties, or import restrictions on such articles.

I believe that this will provide a reasonable degree of protection for those industries which are presently suffering most heavily from import pentration of the domestic market.

The percentage level of penetration is very high. Relatively few products suffer such a high degree of competition and injury, and would thus be excluded from the President's discretionary authority. Therefore, this would not constitute unreasonable limitation on the authority of the President to negotiate. And adoption of this amendment would give some assurance to those industries already suffering serious losses that the protection they presently have would not be taken away.

Mr. President, let me speak for a few minutes about the serious problems caused by high levels of market penetration by foreign imports. The footwear industry in this country consists of aproximately 500 companies with about 800 plants located in 40 States. It now employs about 200,000 people directly in its manufacturing operations, with about 100,000 workers in allied supporting industries, such as the tanning industry.

In 1960, the import penetration for footwear was less than 5 percent. Today, 40 percent of our domestic market has now been taken over by the foreign importation of shoes and footwear.

The impact of this huge increase is predictable, but nonetheless painful: more than 43,000 jobs have been lost since 1960, and domestic production has dropped in 1974 to the lowest levels in more than 20 years.

There are three main reasons why imports account for an increasingly high percentage of domestic consumption. They are: The substantially lower wages paid workers abroad; high tariff levels and other import restrictions maintained by other importing countries; and the various types of subsidies extended by many foreign governments to assist their own domestic producers.

Most foreign manufacturers pay wage rates that would be illegal in the United States. Generally less than 50 percent of the U.S. wage level. In a labor-intensive industry like footwear, where labor costs make up as much as 45 percent of the manufacturing cost, this more than offsets higher productivity in this country. Moreover, the high tariff levels maintained by other countries serve to funnel foreign imports into the American market in greater volume. A number of countries do not permit footwear imports at all—or else have tariff levels so high that the effect is the same.

Now, in the face of these problems, Mr. President, our American footwear industry has asked, has begged, has implored again and again and again for help under our present laws.

Back in 1970, the hopes of the industry soared when the Nixon administration asked for an escape clause investigation.

The Tariff Commission, Mr. President, split down the middle on the question, two to two, leaving the decision to grant or withhold protection with Mr. Nixon himself.

Well, my fellow colleagues, the American shoe industry is still waiting for a decision.

Mr. MUSKIE. Will the Senator yield?

Mr. McINTYRE. I am happy to yield to my distinguished colleague from Maine.

Mr. MUSKIE. Mr. President, I compliment the distinguished Senator from New Hampshire for making the case that he is making.

I recall that in 1959 when I came to the Senate, I first became aware of the problems of the shoe industry in our part of the country.

The penetration of the American market by foreign importation was, as the Senator described, less than 5 percent. That penetration has now risen to the figure of 40 percent, to which he has referred.

I recall the debate on the trade bill of 1962. At that time, with the trend running against the domestic industry, we undertook to amend the provisions of the 1962 legislation in such a way that we would trigger the adjustment assistance provisions of that act as import competition rose. So an amendment was attached to the bill.

Yet in the 12 years that have passed, notwithstanding the fact that the penetration of the market has risen from 5 percent to 40 percent, the Tariff Commission has absolutely refused to recognize that this kind of penetration was resulted in the kind of injury which would trigger the adjustment assistance provisions of the 1962 act.

So those provisions, for all practical purposes, have been meaningless. So I join in my support the Senator's amendment today.

I compliment him on it and I compliment him for making the case which he is making.

Mr. McINTYRE. Mr. President, let me thank my colleague from Maine.

The distinguished Senator from Maine is well aware of the problems that the shoe industry has had over the many years that he has already been here in the Senate.

The Senator told me in a conversation before addressing this body that the level of the penetration of foreign imports at the time the Senator from Maine came here in 1958 was about 3 percent or 4 percent. Today in 1974, as we close out this year, it is 40 percent.

Now, Mr. President, let me cite some statistics from my own State of New Hampshire so that the tragedy of this situation is made more clear.

Mr. President, I have walked the streets of the small towns of New Hampshire and shaken the hands of shoe workers of some 25 or 30 years who told me they had lost their jobs. That is why I always get a little bit pitched up in a fever when I come down here to Washington and listen to the bureaucrats talk about unemployment with their charts and red marks zig-zagging down.

Unemployment is a human tragedy.

New Hampshire ranks seventh in footwear production. In the period between 1962 and 1973 the number of employees in footwear has declined from more than 18,000 to less than 10,000. In that same period, 41 plants have closed their doors; in the last 5 years alone, 27 plants have closed in my State.

This is in a State with a population, Mr. President, of about 800,000. I am sure that my colleagues from smaller States will appreciate the impact of these statistics. We know very well the catastrophe of the community whose only or principal industry closes and its workers are confronted with the choice of leaving lifelong homes, possible job retraining with the hope of another job, or going on the dole.

I do not have to spell this out, Mr. President. We know, all of us here know what this means, and I am sure that all of us would do everything we could to make sure that it would not happen in any community in our States. Mr. President, we have an opportunity, through this amendment that I am offering, to build that assurance into the trade reform bill.

I think that assurance ought to be clearly spelled out in this bill, and I want to explain why. I have been down this road before, many times. I remember how hard it is, how exasperating it is, to get an administration—any administration—to take positive action to protect import-devastated industries.

So this time, I wrote a letter to Mr. Eberle, the special trade representative. I asked him for firm assurances that the new authority that is contained in this trade reform bill would not be used to the further detriment of an industry already in trouble—already in serious trouble—because of imports.

I suggested to Mr. Eberle that the provisions of the bill might be used to help such an industry get back on its competitive feet through the negotiation of an orderly marketing agreement.

Mr. President, Mr. Eberle's response,

which I shall insert in the RECORD along with my letter to him, did indicate that the administration would not cut tariffs on footwear without first going through all the procedures required by the trade bill. While I appreciated hearing from Mr. Eberle, I have learned from hard experience that polite assurances are not enough.

Mr. President, I ask unanimous consent that my letter to Mr. Eberle, dated December 6, 1974, and his reply to me, dated December 11, 1974, be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., December 6, 1974.

Hon. WILLIAM D. EBERLE,
Special Representative for Trade Negotiations, Old Executive Office Building, Washington, D.C.

DEAR AMBASSADOR EBERLE: I am very concerned over the future of the nonrubber footwear industry and the jobs of its 300,000 workers as a result of the adverse impact of imports on this industry. Jobs in this industry have steadily declined over the last several years as domestic production has fallen while imports have increased substantially. Imports of nonrubber footwear have captured a staggering 40 percent of the U.S. market. In my own state of New Hampshire footwear plants have closed and workers in those plants have been idled by imports. The Executive Branch has done virtually nothing to dampen the flood of these imports.

As the Senate begins consideration of the Trade Reform Act, I express my hope that provisions of this legislation will not result in further harm to the nonrubber footwear industry and its workers from additional import penetration, and that perhaps the industry and its workers may be benefited by the bill. It seems to me that several sections of the bill now pending before the Senate might be invoked by the Executive Branch to negotiate an intergovernmental arrangement on nonrubber footwear that would place meaningful restraints on these imports over the next several years. If this could be accomplished, the domestic industry would be able to face the future with renewed confidence, giving it an opportunity to improve its competitive position.

At the same time I am concerned that the tariff-cutting provisions of the trade bill, whether under Title I or Title V, if used to reduce tariffs on nonrubber footwear, would place this industry in further jeopardy. I should hope this would not be the case.

I would like to support the trade bill, but I cannot overemphasize to you that the Administration should take action to meet the problems of the domestic footwear industry arising out of disruptive imports. I would appreciate hearing from you before the Senate begins its consideration of the trade bill as to the intentions of the Executive Branch with regard to the two matters I have raised—an intergovernmental arrangement on nonrubber footwear and no tariff reductions without careful consideration of the effects on the nonrubber footwear industry.

Sincerely,

THOMAS J. MCINTYRE,
U.S. Senator.

DECEMBER 11, 1974.

DEAR SENATOR MCINTYRE: Thank you for your letter of December 6, 1974 regarding your concern over the future of the American nonrubber footwear industry, and the impact of imports upon that industry.

In particular, you expressed the hope that provisions of the Trade Reform Act, now pending before the Senate, would not result in further harm to this industry. I can assure you that this will not be the case. On the contrary, the Trade Reform Act is designed to provide more rapid and more effective relief than that available under present laws to firms and workers adversely affected by imports. It contains provisions which, if passed by Congress, will allow the Executive Branch to work out suitable remedies for disruptive imports, remedies which are appropriate to the particular difficulties of industries or workers concerned.

We recognize that the possibility of improved export performance by the nonrubber footwear industry is very limited, and that improvement in the economic outlook is not likely to be found in the next few years by liberalization of foreign markets for American footwear products. The tariff cutting provisions of the Trade Reform Act could, however, be of potential concern in the case of present U.S. import protection levels for nonrubber footwear. To ease some potential concerns in this area, we have already indicated that the provisions of Title V, authorizing the granting of preferential tariffs, would not be applied to footwear products. I reiterated this Administration commitment in my recent letter on this subject to Senator Russell B. Long on November 7, 1974, a copy of which is contained in the Senate Finance Committee Report on H.R. 10710 (page 224). As for the authority in Title I to cut tariffs to zero at the low end of the U.S. tariff structure (tariffs of 5 percent or under, as in the House version, or of 10 percent or under, as in the Senate version), it is not our intention to use this authority for products where the sensitivity to imports is obviously great. As for the general tariff cutting authority of a partial character, I cannot at this time give any assurance that partial tariff reductions would not be made but I can certainly assure you that such potential cuts would be weighed very, very carefully, would be subject to full consultation with advisers from the footwear industry, and their effects would be assessed against any other possible safeguard actions to moderate footwear imports which might by that time have been implemented under other provisions of the law.

In this latter connection, it seems to me that the escape clause provisions of the Trade Reform Act are ideally suited for use by the American nonrubber footwear industry. Indeed, the matter of escape clause action was never fully resolved under the old law, since the Tariff Commission reached a tie decision in 1971 without providing clear guidance to the Executive Branch. You will recall that the two Commissioners voting in the negative said that they could not find that the statutory criteria had been met, that increased imports were caused by tariff concessions. The proposed Trade Reform Act deletes this criterion. Thus, the import relief provisions would in this case apply to the nonrubber footwear industry, if the remaining, more easily satisfied statutory criteria are met. Given this history, if such escape clause procedures were undertaken under the new law, priority attention would be given the matter, and if the procedures suggested the need for import relief, you can be assured the Administration would move expeditiously to provide it. I can also assure you that in determining what form of relief would best deal with the industry's problem, particular attention will be given to the possibility of devising some suitable form of arrangement with the governments of other nations whose exports to us are determined to be significant causes of disruption to our nonrubber footwear industry.

I hope that my explanation in the letter serves to convince you that the Trade Reform Act would not only not harm the American nonrubber footwear industry, but would very likely prove of major benefit to that important industry. It is a law which we believe is available to all American firms and workers, and to all American agricultural interests, and indeed to all Americans. It is a law which we believe provides for fair and effective solutions to both export and import problems, in the context of our overall national interests.

Yours sincerely,

W. D. EBERLE.

Mr. MCINTYRE. Mr. President, the American shoe industry has been getting polite assurances from the executive department for years and years. Unfortunately, that is all that the industry has been getting from the White House; no help, just polite handshakes and sympathy.

Now, Mr. President, let me make this clear: I understand very well that whenever far-reaching legislation is enacted, and this bill before us is such a piece of legislation, there will be some who may be hurt more than they are helped. I also understand, Mr. President, and appreciate that in the case of this trade bill, the Committee on Finance and all its members have worked very hard to improve the protective provisions of the existing law and the implementation of those provisions.

I want, here and now, Mr. President, to commend the chairman and the members of the Committee on Finance for their work. Nevertheless, I sincerely believe that the critical situation of those industries hardest hit by import penetration demands the further special attention of this Chamber. The amendment I offer constitutes a reasonable protection for such industries, and it will not frustrate the funndamental purposes of the bill.

Indeed, Mr. President, this amendment is consistent with and supportive of the laudable efforts of the committee to recognize the potential impact of more liberalized trade upon those industries sensitive to imports: I am acutely aware of how often in the past, New England has had to bear the burden of liberalized trade, so I cannot stand by now, Mr. President, despite the constraints of time and everything else that are converging on us as we approach our hoped-for sine die adjournment, without urging my colleagues, in the name of equity and compassion, to adopt the minimal safeguards in this amendment.

Mr. President, all this amendment says is that where imports of a manufactured article are already exceeding 33⅓ percent of apparent domestic consumption, where the imports already are coming in to that degree or more, the administration is precluded from making any reduction in tariffs, duties, or import restrictions on such articles—and we put in an escape valve for the President—unless he makes an affirmative determination that such reductions would not injure or threaten to injure a domestic industry producing articles like or directly competitive with the imported article.

Mr. President, I think it is a fair, decent amendment in the interest of a very important industry in my State, and an important industry in this country.

Mr. BENNETT. Mr. President, I rise

to oppose this amendment, for two reasons: First, it writes rigidity into the program. It is expected that the President will act to exclude sensitive articles, those in which substantial duty reductions would likely injure domestic firms and workers. This amendment was written to protect the one industry, the shoe industry. But there may be other conditions, which would not fit into this pattern, which would deprive other industries of the kind of protection that this industry is intended to get under the amendment.

We have before us an amendment to be offered by Mr. KENNEDY, which says any revisions necessary to establish an international agreement on footwear within the GATT, including the creation of regular and institutionalized mechanisms for the settlement of suits, and for a surveillance body to monitor all international shipments in footwear. That undoubtedly will be called up.

I do not think we can proceed two ways to handle this problem. It seems to me the proposed Kennedy amendment goes directly to the footwear problem, without creating a general pattern which might affect other industries adversely.

I have talked to the chairman of the committee and the manager of the bill. He tells me that if the Kennedy amendment is offered, he expects to accept it and take it to conference. Under the circumstances, I suggest to my colleagues in the Senate that we reject the McIntyre amendment and take the Kennedy amendment as a better solution of the problem.

Mr. KENNEDY. Mr. President, I rise in support to the amendment offered by the distinguished Senator from New Hampshire (Mr. MCINTYRE) to the Trade Reform Act. This amendment is a crucial one for the survival of an industry as old as New England, the footwear industry. I want to include in the RECORD at this point statistics on the number of plant closings in New England in the last several years. These grim statistics reveal that over 25,000 jobs in the shoe industry have been lost in New England in the last decade. Over 11,000 jobs in Massachusetts alone have been lost in this industry.

This amendment will insure that no further reduction in tariffs will be allowed in this or any other industry that has been so severely impacted by increasing imports in the last several years, unless the President determines that the industry will not be injured further.

I support this effort, and I also plan to call up an amendment authorizing the President to negotiate in the coming trade talks for an international agreement on footwear, including the creation of regular and institutionalized mechanisms for the settlement of disputes and of a surveillance body to monitor all international shipments in footwear.

On March 7, I asked the other members of the New England delegation to join with me in a letter to the President asking that an international agreement along the lines of the international textile agreement be undertaken for the shoe and leather industry. I wish to place this letter, and the response from the special trade representative in the RECORD at this point.

What the shoe industry needs and what 33 Members of the New England delegation requested is the establishment of procedures for international surveillance of the shoe trade to avoid disruption of the market, to spread the burden of increased imports more fairly and to minimize to the greatest extent possible the impact on jobs of increasing imports from developing nations. This same mechanism for international surveillance would insure that unfair trading practices in shoes and leather trade would be eliminated.

This amendment, in conjunction with the amendment offered by the Senator from New Hampshire (Mr. MCINTYRE) will insure thousands of shoe industry workers and their families a livelihood, and of equitable and fair trading practices through international cooperation and coordination.

I urge the Senate to affirm these amendments which will have such an important impact on so many workers and their families.

Mr. President, I ask unanimous consent to have printed in the RECORD certain documents relating to the footwear industry in New England.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EMPLOYMENT AND PLANT CLOSINGS IN NEW ENGLAND STATES, 1962–73

EMPLOYMENT

[In thousands]

Year	Massachusetts	Maine	New Hampshire	Connecticut [1]	Total New England States
1962	38.1	21.1	18.2	[2] 1.7	79.1
1963	35.0	21.8	17.8	1.6	76.2
1964	33.6	22.9	17.3	[2] 1.5	75.3
1965	33.4	24.9	17.7	[2] 1.5	77.5
1966	32.8	26.3	18.2	[2] 1.4	78.7
1967	31.0	26.0	17.8	1.3	76.1
1968	30.3	26.9	17.7	[2] 1.2	76.1
1969	27.1	24.5	15.8	[2] 1.2	68.6
1970	24.0	22.1	13.8	1.0	60.9
1971	20.3	19.6	12.3	1.0	53.2
1972	19.5	16.7	12.0	.8	49.0
1973 [3]	17.7	16.1	10.2	[2] .6	44.6

[1] Employment figures are from Census of Manufacturers for 1963 and 1967 and County Business Patterns for 1971 and 1972.
[2] Estimated.
[3] Preliminary.
Source: U.S. Department of Labor BLS.

PLANT CLOSINGS, 1962–72 AND 1973 (9 MONTHS)

State	Plant closings 1962 to 1973	Plant closings 1968 to 1973
Massachusetts	146	76
Maine	36	29
New Hampshire	38	25
Connecticut	14	6
Total	234	136

Source: AFIA records, plant closings and openings.

COMMITTEE ON
LABOR AND PUBLIC WELFARE,
Washington, D.C., January 30, 1974.

DEAR COLLEAGUE: I am enclosing for your consideration the draft of a letter to the President regarding the shoe industry.

We will have the opportunity to discuss the problems of the shoe and leather companies in New England during the New England Congressional Caucus meeting on February 27. In the meantime, you may wish to review this letter; and I look forward to your suggestions and comments.

As you know, a new international agreement went into effect on January 1 which will assist the textile industry. An innovative feature in this agreement is the establishment of an international surveillance body to review the trade practices in the textile industry. I am hopeful that such an arrangement could be effective to help begin the revitalization of our domestic shoe industry.

If you or your staff would like additional information, please contact M. Murtagh X54543. I look forward to meeting with you to discuss this and any other action which we might take as the New England delegation for the shoe workers and their families in New England.

Sincerely,

EDWARD M. KENNEDY.

COMMITTEE ON
LABOR AND PUBLIC WELFARE,
Washington, D.C., March 7, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing to urge immediate action to assist the New England shoe and leather industry. As you know, in the last decade over 25,000 workers in the shoe and leather industry in New England have lost their jobs as a result of plant operation cutbacks and closings.

Clearly it is in the interests of all Americans to insure that any one segment of the population does not bear undue hardship because of a liberalization of foreign trade. This principle has been recognized in many areas of U.S. trade and industry, notably in the area of textiles and clothing.

On January 1 of this year, a new international agreement went into effect that sets up procedures for the international surveillance of textile and apparel trade, in order to avoid disruption of markets, to minimize the impact on jobs, and to spread the burden of increased developing-country exports more fairly among the world's industrial nations.

We believe that action is also urgently needed with respect to trade in shoes. We therefore urge you, to seek international agreement in this area to provide for similar international rules and procedures. We particularly need agreement to eliminate unfair trading practices in shoes and leather products, as these practices are found in some exporting countries.

An international agreement along these lines would be in the best interest of American workers and consumers, and we believe, in the long-term best interest of the world trading community.

Sincerely,

OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS,
Washington, D.C., May 13, 1974.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: The President has asked me to write to you and the 33 other members of Congress who urged him in a letter of March 7 to negotiate an international agreement on shoes similar to the recently concluded international agreement on textiles in order to assist the shoe and leather industries of New England.

The Administration is keenly aware of the problems confronting the shoe and leather industries. I have met with representatives of the industry and have been in contact with them on a number of occasions and believe I

understand their problems. However, because of both the difficulties involved in persuading other nations to participate in an arrangement on shoes similar to that on textiles and, more importantly, the legal questions raised in connection with voluntary restraints agreements by a recent court decision, it is inadvisable at this point to seek a solution to the problem of the shoe industry through a restraint agreement.

When the international agreement on textiles was negotiated, there was a shared concern among many major trading nations over the problems caused by imports of textiles, and therefore there was widespread international interest in developing rules for the conduct of trade in textiles. In the case of shoes, the United States is almost alone in having a very high level of imports relative to domestic production. As a result, there is not the same shared interest in a multilateral solution to the problem.

In addition to the practical problems involved in concluding any international restraint agreement on shoes, the recent decision of the U.S. District Court for the District of Columbia in *Consumers Union of U.S.* v. *Rogers* (decided January 8, 1973) on the antitrust implications of restraint agreements makes the conclusion of further restraint agreements inadvisable at the present time.

Because the international arrangement on textiles was negotiated under authority of Section 204 of the Agricultural Act of 1956, there was, in the case of textiles, a clear directive by Congress to restrain textile imports; that authority does not apply to shoes or any industrial product other than textiles. An agreement on shoes would have to be negotiated under the residual constitutional authority of the President to conclude an international agreement. Since there would be no Congressional directive with respect to shoes similar to that contained for textiles in the Agricultural Act of 1956, such an agreement could be subject to the United States antitrust laws. This is not to say that all voluntary restraint agreements need involve antitrust problems. The question in *Consumers Union v. Rogers* concerned an agreement with private enterprises. However until the applicable law is clarified, or until specific Congressional authorization of voluntary restraint agreements is given, relief through restraint agreements, even if negotiated with foreign governments, should, in our opinion, be discouraged.

The Administration hopes that, by passage of the Trade Reform Act of 1973, an *effective* framework will be established within which both American firms and workers, including those of the shoe and leather industries, will be able to adjust to import competition. Under existing law, adjustment assistance has been granted, since mid-1970, in 36 shoeworker cases, thus making an estimated 11,000 workers eligible for readjustment allowances. Nine firms in the footwear industry have been approved for adjustment assistance in the amount of $11.7 million. This assistance supports plans by such firms to improve their competitive position vis-a-vis foreign imports. By passage of the Trade Reform Act of 1973 the import relief (the temporary imposition of barriers to imports to prevent serious injury to an industry) and adjustment assistance to both firms and workers will be made more readily available and more effective than at present.

In connection with the import relief provisions of the Trade Reform Act, the Administration could support a modification of the provisions limiting the use of orderly marketing agreements after the appropriate escape clause determinations. In its trade bill presented to the Congress, the Administration asked for broad authority to handle import problems. In requesting such authority, we had very much in mind the complex problems posed by the shoe case. Specifically, the Trade Reform Act of 1973, as submitted by the Administration (H.R. 6767), contained express authorization for resort to orderly marketing agreements as a mechanism for import relief. The TRA, as now drafted (H.R. 10710), still authorizes the use of orderly marketing agreements for import relief purposes, but the flexibility afforded the President in their use has been restrained. The TRA now contains an order of preference among forms of import relief in which orderly marketing agreements are the least preferred and provides for Congressional veto of any such agreement.

In closing I want to emphasize that we share your concern over the shoe industry and will do what we can to assist it in overcoming its difficulties, but we feel that it is better to do this in the context of general laws and policies like those provided in the Trade Bill, H.R. 10710.

Sincerely,

(S) BILL
W. D. EBERLE,
Special Representative.

Mr. PACKWOOD. Mr. President, I ask unanimous consent to have my staff member, Ed Kemp, on the floor during the remainder of the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, the administration strongly opposes this amendment. We on the committee feel we must oppose it. We have taken the Pastore amendment that would protect footware. We have taken the Hathaway amendment that would protect footware. We have already taken two amendments to protect footware.

I shall propose, and Mr. BENNETT, as the ranking Republican member, is willing to cooperate in taking the Kennedy amendment to protect footware. We had footware protected five different ways in this bill when we reported it. So I think that everything that one can reasonably expect has been done.

This amendment, unfortunately, goes far beyond footwear. It says that there can be no negotiations on any item where the imports exceed 33⅓ percent. I do not know what might be involved. In my part of the country, a lot of sugarcane is produced. It would be patently ridiculous to negotiate to say that we could not bring more sugar into this country, with sugar selling at almost $1 a pound.

It seems to me, Mr. President, that this amendment goes altogether too far. There are a lot of problems that no one can anticipate here. I think we would do better to accept those things that we can accept, where we can cooperate, to help Senators with their problems.

Under this bill, any industry threatened by imports is entitled to have the President provide import relief in terms of tariff increases or quotas or orderly market arrangements.

So this bill actually provides additional help for industries threatened by imports, and I am sure that footwear would be one of those that could benefit under the bill as reported.

Mr. President, I feel that we are doing and will do everything we can to cooperate with the kind of problem the Senator has in mind. But this amendment, unfortunately, goes too far and goes beyond footwear. Neither I, as a member of the committee, nor the staff professionals can advise as to the entire reach of it.

Mr. MUSKIE. Mr. President, I have listened with interest to the discussion of the McIntyre amendment by the distinguished Senator from Utah and the distinguished Senator from Louisiana, the manager of the bill and the chairman of the committee.

I have looked at the Kennedy amendment, and I would be pleased if the managers of the bill would accept that amendment. However, I would like to make an additional point.

We have been promised this kind of relief in international negotiations for all of the 16 years I have been in the Senate. We have always found the State Department and those in charge of our negotiations with other nations very reluctant about entering into orderly marketing discussions, and when involved in such discussions, less than the ardent advocates that we would have to have to persuade other countries that we mean business.

Language such as that of the Kennedy amendment, notwithstanding its intent, has always resulted in having nothing but a cosmetic effect in terms of its impact upon our own negotiators and the impression the negotiators of other countries have of the sense of urgency of our negotiators.

As a matter of fact, I say to the distinguished chairman and the Senator from Utah that the 1962 trade bill undertook to inject the same kind of element into our trade policy—that is, a prod to the President and the State Department—to open up orderly marketing negotiations with other countries to provide relief in these kinds of cases. The fact is that those have never once been triggered under the 1962 act, notwithstanding the solid evidence of increased import penetration of our market over that period of time.

The penetration in 1960 was 5 percent. It is now 40 percent. Yet, the shoe industry has been unable to trigger the relief provisions of the 1962 act. Those relief provisions presumably included not only the adjustment assistance provisions, which are nothing more than burial expenses in the case of shoe plants in little Maine towns, but also they have failed to trigger the very kind of negotiations that the Kennedy amendment envisions, may I say, with all respect to the distinguished Senator from Louisiana.

We go through this exercise, we get these assurances, the law is passed, and then nothing happens.

(At this point, Mr. TUNNEY assumed the chair.)

Mr. LONG. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. LONG. The language of the 1962 act was such that it would not trigger protection for those people whom the Senator from Maine wishes to help. This bill is written with language that almost automatically would permit the kind of protection the Senator from Maine is seeking for those people.

Mr. MUSKIE. I ask the Senator this question: The curve since 1959 on the import penetration of our shoe market

is clear and discernible. It is an acute curve upward—5 percent to 40 percent. Is the Senator telling me that if that curve continues, under the provisions of this act, the continuance of that curve should trigger the kind of relief we are talking about? In other words, would a 5 percent to 40 percent increase or something like it over a shorter period of time trigger this kind of relief?

Mr. LONG. Yes, I think that certainly would be the case. It is our guess that if the shoe industry would seek relief under the terms of this act, chances are 90 out of 100 that it would get relief.

Mr. MUSKIE. I appreciate that assurance. It is helpful to this Senator.

I should like to take a moment or two, since I do not expect to speak on this bill again, to dramatize the kind of situation we find in these little towns. I know that the Senator from Louisiana has his little towns, as well, in rural Louisiana.

I am old enough to remember quite an evolution in these rural areas. I can remember the day when they used to process garden vegetable crops and build prosperous little communities around them. Then the big production areas of the Midwest came into the picture, and that industry dried up.

We also had little woodworking plants in Maine which were built around our forests. Maine is about 85 percent forest-covered today, and it has been for a long time. So little wood-turning plants developed in the towns, producing toothpicks, clothespins, and a large variety of wooden products. Then the plastics industry came along, and foreign competition in plastics caused those little plants to dry up.

There were also towns at another time in history which produced textile products of one kind or another. But they dried up as a result of foreign imports and competition from the South.

So we have had two or three successive layers of economic development in these towns, and the shoe industry in many cases is the latest layer.

Now this layer is about to disappear. And if these plants die, what is to replace them?

I cannot envision a steel plant or an aluminum plant or a plant of ITT or a modern electronics plant of any kind moving into these little towns. They will have nothing. That is why I describe the economic adjustment provisions of the bill as nothing more than burial expenses. People get an additional 26 weeks of unemployment compensation. What do they do at the end of that time? If there is no one to borrow money to establish a new industry, what then?

Mr. LONG. In the first place, the old law, the 1962 law that authorized the Kennedy round provided that the injury had to be the result of the tariff concession. This bill says that if you can show injury as a result of increased imports, you are entitled to relief.

Furthermore, with reference to adjustment assistance, there are provisions which say that if an industry or plant closes—and the imports do not have to be the major cause; they need only be a substantial cause—if the increased imports are a substantial cause for the plant closing, workers are eligible for community assistance as well as adjustment assistance. A billion dollars in loan guarantees is authorized for community assistance.

So we have provided for a billion dollars to put little plants such as you describe back into operation, or to establish new production in the same community, hopefully in the same building or the same general plant where they had previously produced the commodity which was no longer being produced.

So there is a great deal in this measure to help with situations the Senator describes that was not in the 1962 Act.

I should think that many of the small communities in Maine or New England to which the Senator has made reference would be eligible for the community assistance.

Mr. MUSKIE. I appreciate the interest of the distinguished chairman in pointing out that difference.

With respect to the McIntyre amendment, part of it is designed to dramatize the kind of penetration or impact that has taken place as a result of an increasingly high level of imports in order to make the case for the kinds of assistance that are provided for in this act. For that reason, I compliment the distinguished Senator again.

Mr. McINTYRE. I would like to ask the Senator from Maine, Mr. President, does he know of any manufactured domestic article that suffers competition from foreign exports to the extent of 40 percent, presently, in this country?

Mr. MUSKIE. I do not. Now, I know of some articles that are no longer manufactured in this country, that once were, and which have disappeared from production because of the impact of imports. But I do not know of any now struggling.

Mr. McINTYRE. Those are the ones that have been buried.

Mr. MUSKIE. Those are the ones that have been buried already.

Mr. McINTYRE. Of course, there are a great many raw materials that come in here, but that affords many opportunities, and we are glad to have them.

I thank my colleague from Maine for his support on this amendment. I would like to ask the chairman of the Finance Committee, or the ranking Republican member, on page 99 of the report, the following statement is to be found, toward the top of the page:

> It is expected that the President would exclude sensitive articles—those in which substantial duty reductions would likely injure domestic firms and workers—from significant duty reductions under title I or from preferential treatment under title V. The Committee intends that such sensitive articles could include those which are being injured as a result of dumping, and those which have been traditionally reserved from trade negotiations.

I would like to address the question to the floor managers: What assurance can they give to the Senator from New Hampshire, as they already have discussed in part with the Senator from Maine, about the committee's understanding that articles such as footwear would not be included under section 101 negotiations, and that the committee would give its attention to this problem as the bill is implemented?

Mr. LONG. We feel that the language makes it clear that where there is a sensitive article, where the type of situation exists that the Senator has just described for footwear, they should not negotiate further agreements that would bring in more imports. Remember that such an agreement would still have to be agreed to here in the Senate, when they did try to bring it back.

Mr. McINTYRE. I am sure that the distinguished Senator from Louisiana has had a great deal more experience than I have, but my years here indicate that when I have an opportunity to discuss this with Tariff Commission members, I get all involved with the shoe import question, that imports are coming in because they have a better price, or a better style, or other better retail attraction.

I do not feel that the shoe industry has been treated fairly, and I think the amendment I have offered is not restrictive in any way. It has an escape valve for the President, if he can prove that if imports increase, no additional harm will be done to the industry.

Under these circumstances, I feel constrained to ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. LONG. Mr. President, may I just say that the footwear industry has a lot more protection under this bill than under existing law. The committee has protected the footwear industry in this bill five different ways. We have already taken two amendments on the floor, and we are going to take the Kennedy amendment providing additional protection. The footwear industry will be in much better shape, and have much more help and protection available to them than under existing law. I think, having done all that, that is about as much as this committee or the Senate or Congress ought to be asked to do on that subject.

Mr. McINTYRE. Mr. President, I am aware of the fact that the committee has worked to improve the existing law, but I am here to tell the rest of the Members of this body that it can take a lot more improvement. I hope none of the States here represented by distinguished Senators ever find themselves in a position where they are being invaded by up to 40 or 45 percetn by a foreign manufactured article, and I hope they do not have the experience that we in New England have had when we went to the Tariff Commission. It made no difference whether it was a Democratic President, or a Republican President.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield.

Mr. RIBICOFF. I am very sympathetic to the position of the Senator from New Hampshire. I think it ought to be pointed out that the committee is deeply concerned with the lack of sympathy that had always been shown by the State Department, the executive branch, or the President.

There are provisions in this bill that any agreement that the President enters into must come back to the Congress of

the United States for a vote of approval, which is not the case at the present time.

Furthermore, the U.S. International Trade Commission, which is the new name for the Tariff Commission, must make a finding on the impact of these agreements upon any American industry.

When they give this information to the President, if the President rejects the advice of the so-called Trade Commission, there is an opportunity for Congress, in overriding the position of the President, to adopt the position of the International Trade Commission. The International Trade Commission has been made much more completely independent of the President.

Furthermore, may I state to the Senator from New Hampshire that there is established an advisory group from Congress, five Senators and five Members of the House of Representatives, to act in an advisory capacity throughout these trade negotiations, to take into account the interests of the various sections of the country and the various problems in any of our respective States.

I would expect that the five Members from the Senate would be very sensitive to the problems of every region, including those of New England. It would be my hope that the chairman, in appointing the five Members to represent the Senate would take into account the various regions involved. I would hope that the chairman might consider me as one of the five, and believe me, if that were the case, I would be very sensitive to the problems of New England, the problems of New Hampshire, and the problems of Maine concerning the basic industries that we have involved in the foreign trade negotiations.

I have introduced heretofore an amendment which was accepted by the chairman which provides for regional impact, and I used specifically the example of shoes. If an agreement were made concerning shoes that might not have an overall impact upon the shoe industry in the United States, but would have a regional impact upon New England, then the International Trade Commission could take into account the regional impact on the New England shoe industry, even though there would not be an impact upon the shoe industry, for example, in Missouri.

So I think it should be kept in mind that the Finance Committee has written in safeguards throughout the bill which have not existed up to the present time.

On page 99, if the Senator will read the entire report concerning the International Trade Commission, he will see that we have expanded this protection. And may I suggest to the Senator from Maine that if the Senator will address himself to page 151 of the committee report, he will see that the committee has created a new program of assistance for communities suffering from the impact of trade such as those the Senator described in his colloquy with the Senator from New Hampshire.

As a matter of fact, we used as an example the displaced shoe worker of New England as the reason for assisting communities. It is unfortunate that there is such a lack of knowledge of the basic problems and the protections we have written into this bill, because many of the complaints about the trade bill refer to problems that have been in existence before this bill was written by the Finance Committee. This bill has been written in such a way as to reflect the deep concerns on both sides of the aisle of protecting American industry and American labor.

There is more protection in this bill than were ever in any trade bill to come before the Congress of the United States.

Mr. LONG. Mr. President, I strongly feel that the Senator from Connecticut should be one of the conferees and I will nominate him, in the event the bill passes and we have a conference. I hope the bill will pass and we will have a conference, and that the Senator will be a conferee.

Mr. McINTYRE. Mr. President, I thank the distinguished Senator from Connecticut for his soothing and hopefully helpful remarks.

When I go back to my State, I have to try to talk to a 57-year-old shoemaker who has been tossed out of his job in Newmarket, N.H. after working there for 28 years.

I tell him, "It is all right. We are going to retrain you. We are going to give you a lot of benefits and retrain you, and make a plumber out of you."

You should see the look on that man's face. The members of this body know very well that adjustment assistance can go only so far to make up for jobs lost to foreign competition.

Mr. President, I urge the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Maryland (Mr. MATHIAS), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 35, nays 49, as follows:

[No. 537 Leg.]

YEAS—35

Abourezk	Eagleton	Pastore
Allen	Ervin	Pell
Bayh	Gravel	Randolph
Beall	Hartke	Ribicoff
Brock	Hathaway	Schweiker
Brooke	Hollings	Scott, Hugh
Byrd, Harry F., Jr.	Jackson	Scott, William L.
Byrd, Robert C.	Kennedy	Sparkman
Case	Magnuson	Stevens
Chiles	McClellan	Symington
Cranston	McIntyre	
Dominick	Metcalf	
	Muskie	

NAYS—49

Aiken	Fong	Nelson
Baker	Griffin	Nunn
Bartlett	Gurney	Packwood
Bennett	Hansen	Pearson
Bible	Hart	Percy
Biden	Haskell	Proxmire
Buckley	Helms	Roth
Burdick	Hruska	Stafford
Cannon	Humphrey	Stennis
Church	Javits	Taft
Clark	Long	Talmadge
Cook	McClure	Thurmond
Curtis	McGee	Tunney
Dole	McGovern	Williams
Domenici	Metzenbaum	Young
Eastland	Mondale	
Fannin	Moss	

NOT VOTING—16

Bellmon	Huddleston	Montoya
Bentsen	Hughes	Stevenson
Cotton	Inouye	Tower
Fulbright	Johnston	Weicker
Goldwater	Mansfield	
Hatfield	Mathias	

So Mr. McINTYRE's amendment (No. 2053) was rejected.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I think Senators would appreciate very much if they could have any indication as to how long they might be here this evening. So I ask the acting majority leader if he might give us any guidance or enlightenment.

Mr. ROBERT C. BYRD. May we have order, Mr. President?

Mr. PASTORE. Mr. President, may we have order? Will the Senators please take their seats? This is quite important.

The PRESIDING OFFICER (Mr. TUNNEY). The Senators will take their seats and the aisles will be cleared.

Mr. ROBERT C. BYRD. Mr. President, may I inquire of the Senators as to how many amendments there are remaining which are expected to be called up?

Now, may I ask this question: How many Senators plan to insist on a rollcall vote on their amendments? There appear to be none.

If it is agreeable, then, with the manager of the bill and the ranking manager of the bill I would suggest that we complete action on this bill tonight.

Mr. LONG. Mr. President, there are several of these amendments I could recommend we take provided the sponsor would make a very short speech. [Laughter.]

Mr. ROBERT C. BYRD. Then, Mr. President, I think from the appearance of things that we ought to proceed and attempt to complete action tonight on this bill.

Mr. YOUNG. Mr. President, my staff has been planning for weeks a win or lose party tonight. I am in favor of this trade bill and, if needed, I will return for final passage.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2075

Mr. BEALL. Mr. President, I call up, on behalf of my colleague from Maryland (Mr. MATHIAS) and myself the amendment we introduced this morning, it is at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maryland for himself and Senator MATHIAS proposes an amendment.

The amendment is as follows:

On page 292, after line 2, insert the following:

SEC. 611. APPLICATION OF AMERICAN SELLING PRICE VALUATION TO CERTAIN FOOTWEAR.

(a) Headnote 3 of the headnotes to schedule 7, part 1, subpart A of the Tariff Schedules of the United States is amended by adding at the end thereof the following:

"(c) Subject to the provisions of section 336(f) of this Act, imported footwear, the sole and heel of which constitute more than 50 percent by weight of the shoes, at least 10 percent of which is composed of rubber (as defined in headnote 2 of schedule 4, part 4, subpart B) shall be subject to duty upon the basis of the American selling price, as defined in section 402 or 402a of this Act, of like or similar articles manufactured or produced in the United States, and shall be classified in item 700.60.".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of the enactment of this Act.

On page 292, line 3, strike out "611" and insert "612".

On page 292, line 13, strike out "612" and insert "613".

Mr. BEALL. Mr. President, I yield myself such time as I may need.

Mr. LONG. Mr. President, a point of order. I have been advised by the Parliamentarian that this amendment is not germane. I ask the Chair if the Senator will state if it is germane.

Mr. BEALL. May I explain the amendment?

Mr. LONG. Yes, I withhold my point.

Mr. BEALL. Mr. President, this amendment, to the Trade Reform Act of 1974, will close a serious loophole which is threatening the continued existence of an important segment of our Nation's economy, the shoe industry. I am pleased to note that my distinguished colleague (Mr. MATHIAS), has joined as a cosponsor of this amendment.

Briefly, Mr. President, foreign producers have been able to bypass the American selling price on various types of rubber footwear by adding extraneous materials such as iron, lead, and so forth to the heals and soles. Under the ASP system if less than 50 percent of the weight of the item is cotton, rubber, or plastic, then the ASP does not apply. In other words, by weighing down the shoes with extraneous materials, the foreign producer is able to evade the American selling price and thus undercut our domestic manufactures. In 1972 the Customs Court in the case of *International Seaway Trading Corp. v. United States* (349 F. Supp. 1019), partially closed this loophole. Our amendment will complete this process and protect the American footwear industry and the American consumers from this unacceptable evasion of the American selling price.

One example would be the Westminster Corp., which was established in 1948. It became a multimillion dollar business which had five factories by 1972. Today only one remains in operation and its future is in doubt. In just a few years a viable firm, with good management and modern equipment, has been undercut by these questionable import practices.

In the last 3 months, at least 11 shoe factories in the Maryland-Pennsylvania area have closed and others are likely to close also if relief is not forthcoming.

This amendment protects the American footwear industry, its employees, and the American consumer from unfair competition which results from a circumvention of existing law.

Mr. President, I ask unanimous consent that the text of a letter I received from David London, chairman of the board of the Westminster Corp., be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

EXHIBIT 1

THE WESTMINSTER CORP.,
Westminster, Md., November 26, 1974.

Senator J. GLENN BEALL, Jr.,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BEALL: As a member of the Board of Directors of American Footwear Industries Association I was in touch with the association office today. I was advised that some members of the association were in to see Mr. Dave Rust of your office and discussed amendments to the trade bill for your review. As per my past conversations with you and also correspondence you know what the domestic footwear manufacturing industry faces. After review of the amendments, copy of which was left in your office, I will appreciate your consideration concerning one or more of the amendments when the trade bill comes up before the Senate.

Our employment is now about 225, down from 850 people three years ago. As per our conversation our primary problem is Taiwan due to the type of shoe we make. The rest of the industry is also faced with low cost labor competition from Europe, South America and Asia. With the economy as it now is this is the time we need any help we can get.

Thank you for your consideration in the past. Looking forward to seeing you again in the near future.

Sincerely yours,

DAVID LONDON,
Chairman of the Board.

P.S. Enclosed two articles concerning requests for import quotas in other countries having the same problem as ours which I feel is the ultimate answer to our problem.

[From Weekly Footwear News]

BFMF URGES QUICK ACTION ON IMPORTS

The president of the BFMF, Mr. Peter Holmes, has written to the Secretary of State for Industry, urging the Government to take immediate action to help the industry on two fronts. Mr. Holmes' letter begins with these words: "I am writing to tell you of the serious problems now facing the British footwear manufacturing industry and to urge the Government, in the strongest possible terms, to take immediate steps to alleviate its position."

A survey of 105 footwear companies, employing 38,000 people, which was notwithstanding a 7 per cent reduction in deliveries over the first eight months of the year as compared with the corresponding period of 1973, orders on hand at the end of August were 34 per cent lower than at end-December last. At the time of the survey a third of the respondent companies had less than three full weeks' work in hand and 65 per cent of them had less than six weeks' work. Nearly 44 per cent of the labour force covered by the enquiry were on short time, the majority of them on a four-day week.

The recession now afflicting the industry is not to be blamed on a dramatic fall in retail sales of footwear, which have held up reasonably well in the second and third quarters of the year. The main causes are changes in distributors' stocking policies—the result of pressures from inflation and from the tightening up of the Price Code—and a further growth in imports, particularly of types which compete directly with UK manufacturers' ranges.

"It is against this background that the industry asks the Government to take action, as a matter of the greatest urgency, on two fronts. Firstly, we again appeal for positive steps to relieve us from unfair import competition. Secondly, we ask that measures be taken to ease the very serious financial strains created in the industry by the combination of falling demand on our factories with continuing, and frighteningly rapid, increases in costs."

As regards imports, the federation asked before the General Election for the imposition of quota controls on imports of leather-uppered footwear from Eastern Europe, pointing out that in introducing such controls Britain would be conforming to the practice of other EEC countries and to its own practice on rubber and canvas footwear. Since that approach was made a further month's import figures have been released, showing a further sharp worsening in what was already a very grave situation: during the period January-July more shoes (5.42 million pairs) were imported from Czechoslovakia, Poland and Rumania than in the whole of 1973 (5.36 million pairs). These shoes enter this country at prices which clearly bear no relation to the cost of manufacture and it is quite outrageous in our view that there should be absolutely no check on their importation at a time when so much of the British industry is working short time.

"We also feel very strongly that there should be no increase next year—as proposed by the Commission—in the duty free quotas afforded to developing countries under the Community's GSP scheme. Moreover, we think it quite wrong that GSP treatment should continue to be afforded to countries which ban the export of raw hides, or which place quantitative restrictions on footwear imports from this country, or which impose exorbitant duties on such imports. Although the industry accepts that the Community has responsibilities towards the developing countries, we urge that all footwear from countries following any of these practices should bear the full rate of duty.

"The measures which we ask should be taken straightway would damage that confidence, being aimed at easing the pressure on margins and it improving liquidity. They are:

(i) the elimination of the productivity deduction requirement from the Price Code;

the present provisions bear very heavily on this industry, in which wages and salaries represent 40 per cent of operating costs;

(ii) the exemption of stock appreciation from liability to Corporation Tax; a much larger than average proportion of this industry's assets (around 50 per cent) consists of stock and work in progress; and

(iii) the scrapping of the requirement in the 1974 Finance Act that companies should pay a surcharge of 50 per cent on their Advance Corporation Tax.'

Mr. BEALL. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator MATHIAS.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR MATHIAS

PROTECTING AMERICAN JOBS

I am pleased to join with Senator Beall in offering this amendment which is designed to ensure that the regulations which define the terms of fair trade properly safeguard the legitimate interests of thousands of American workers, manufacturers and consumers concerned with quality footwear produced in the United States.

The American shoe industry has suffered from foreign imports. To an unfortunate degree, this loss of jobs and produce and income has resulted from the inability of trade regulations to adequately come to terms with the realities of shoe manufacture. The amendment which Senator Beall and I offer today would ensure that future regulations are based on the hard facts of shoe manufacture.

This amendment is offered not to inhibit trade but to safeguard its future by ensuring its fairness. The amendment has been developed with the aid of persons with detailed knowledge of the economics of the shoe industry—persons who have seen thousands of Americans lose their jobs and means of livelihood due to foreign imports—persons who know that this loss of jobs will continue unless action is taken forthwith.

I commend my colleague from Maryland for his work on this amendment, and I commend its provisions to my colleagues from other states.

Mr. LONG. Mr. President, I suggest the Senator direct this amendment to the attention of the committee to be considered with some of the tariff bills yet to come before the Senate. It is not germane to this bill.

Mr. BEALL. I understand from the chairman it is his expectation there are other tariff bills coming before the Senate next week, and as far as he is concerned this amendment would be acceptable on one of those bills?

Mr. LONG. Well, it could be offered. I do not know the merits of it, Senator, but it certainly will be considered.

Mr. BEALL. I thank the Senator.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 2076

Mr. GRAVEL. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL) proposes an amendment, No. 2076. The amendment is as follows:

On page 264, designate the present language of section 408 as subsection "(a)" and add at the end thereof the following new subsection "(b)".

"(b) If Czechoslovakia continues to fail to pay at least the principal amount it owes on said awards, the United States District Court for the District of Columbia shall have jurisdiction in an approriate action to determine whether Czechoslovakia owns the aforementioned gold held or controlled by the United States, and upon a finding that Czechoslovakia does own such gold and that the United States may take actions lawfully to utilize same to obtain payment of the outstanding awards in favor of its citizens, the court shall issue all orders and judgments necessary to enable the United States to proceed in that manner, to the highest available prices, and, after deduction of litigation fees and costs approved by the court, to transfer the balance of the liquidated proceeds to the Czechoslovakian Claims Fund in the Treasury of the United States for payment of said awards, any amount remaining in the Fund after payment of all such awards to be paid to Czechoslovakia in accordance with instructions provided by the Secretary of State."

Mr. GRAVEL. Mr. President, this amendment—if I could have the attention of the chairman—this amendment merely is language that goes to an amendment that was accepted, I believe unanimously, by the committee involving the granting of nonfavored-nation status to Czechoslovakia and on the rights and benefits that would go with that.

What this amendment would do would make a determination on a question, a determination to be made by the U.S. District Court for the District of Columbia, as to the ownership of the gold that we all infer belongs to Czechoslovakia and, as a result of that determination, that a process could be initiated to satisfy the individuals in this country who have had their interests nationalized in Czechoslovakia.

What this would do, it really permits an escape valve that does not exist in the amendment in the committee. Under this amendment, unless Czechoslovakia realizes their own best interests and moves to satisfy these claims, if they choose not to do that, or if they do not do that, they will be making a very severe mistake.

What we would do is alter the balance of proof that would provide a vehicle that that could happen, and as soon as it did, then Czechoslovakia would be entitled to most favored nation treatment and all of the rights that are conferred with that.

Mr. President, title IV of the Trade Reform Act of 1974, as reported by the Senate Finance Committee, provides that henceforth the United States should always insist on obtaining fair economic treatment for its citizens as a quid pro quo for the granting of most-favored-nation tariff treatment or other extremely valuable economic benefits to Communist nations.

More specifically, in the case of Czechoslovakia, section 408 of the bill provides that this particular Communist country, which has long owed thousands of U.S. citizens a total of $105 million for its expropriation of their properties during the period from 1947 to 1949, shall not be eligible for favorable U.S. tariff status, or for desirable U.S. grants, loans, or credits, or for the release of certain gold our Government has been holding since the late 1940's as security for the payment of that expropriation debt until Czechoslovakia first pays at least the principal amount it owes on the outstanding U.S. awards—$64 million.

Section 408 of the bill thus does not absolutely prohibit the granting of most-favored-nation status or other economic benefits to Czechoslovakia. On the contrary, its basic thesis is that, in fairness and justice, our Government should extend those benefits to Czechoslovakia only after that nation first pays at least the principal balance—$64 million—it has owed for decades on its outstanding $105 million expropriation debt to our citizens. Obviously, since the combined value of the benefits we are being asked to extend to Czechoslovakia vastly exceeds the $64 million price that nation must pay under the pending legislation in order to be eligible for those benefits, section 408 of the bill is eminently fair and reasonable to Czechoslovakia.

I sincerely hope, therefore, that Czechoslovakia will soon conclude that it is truly in its own best interests voluntarily to settle its long malingering expropriation debt to citizens of the United States in the manner provided by section 408. Certainly, such action would result in a fair, favorable solution for both sides of a controversy which has raged for 25 years, and it would open the door to East-West trade and economic relations that has been closed for almost three decades.

In any event, it is perfectly plain to those of us on the committee who studied this problem very carefully and who heard the State Department explain why it has not been resolved over the years through normal diplomatic channels, that the time has arrived when, if Czechoslovakia continues to fail to pay its debt voluntarily, the United States should find a fair and equitable solution for its citizens if other means for payment exist, either here in the United States or within the control of our own Government. Fortunately, such means do appear to exist and the purpose of my amendment to section 408 is to direct that same be utilized promptly if, as stated above, Czechoslovakia simply fails to respond to section 408 voluntarily.

The hearing record developed by the committee in support of section 408 demonstrates that the U.S. Government presently physically holds here in the United States approximately 9 tons of gold which apparently belong to Czechoslovakia. In addition, the U.S. Government, as a member of the so-called Tripartite Commission for the Restitution of Monetary Gold established under the Paris Reparations Agreement of 1946, controls another 9 to 10 tons of gold belonging to Czechoslovakia which are physically held by a bank in England. On the basis of current market prices, the gold held here in the United States is valued well in excess of $50 million, while the gold held in England, subject to U.S. control, has a similar valuation.

If this gold, held or controlled by the U.S. Government, belongs to Czechoslovakia, as appears to be the case, then certainly in an appropriate legal pro-

ceeding in a U.S. district court orders could be fashioned to direct the Federal officials who hold or control same either immediately to transfer it, or its liquidated proceeds, to the Czechoslovakian Claims Fund in the Treasury established pursuant to Public Law 85–604, or at least to pursue in complete good faith preliminary steps which might have to be taken lawfully to accomplish that transfer.

The State Department contends that such a transfer can be accomplished only with the consent of England and France which sit on the Tripartite Commission with the United States pursuant to the terms of the international agreement which created that Commission. The Senator from Alaska and other members of the Senate Finance Committee who considered this matter, as well as various experienced lawyers we have consulted, seriously doubt the correctness of that position. If Czechoslovakia owns the gold physically held by our Government here in the United States, and if Czechoslovakia is indebted to our citizens in a sum roughly equivalent to the value of that gold, then certainly the United States, in response to a valid court order of attachment, would have to surrender the debtor's gold to its creditors for application against the debt.

Indeed, in 1958, when Congress passed Public Law 85–604 creating the Czechoslovakian Claims Fund, no objection was raised to the provision of that statute which directed the Secretary of the Treasury to transfer liquidated proceeds of a steel mill belonging to Czechoslovakia which he was holding to the Czechoslovakian Claims Funds for distribution to U.S. citizens with expropriation awards against Czechoslovakia. Essentially, the same situation exists here with reference to the Czechoslovakian gold also physically held by our Government here in the United States. In this instance, the gold, which belongs to Czechoslovakia, is physically held by the United States and at best England and France are mere co-trustees of said gold with the United States. May not creditors seize gold belonging to a debtor-in-default which is held in trust without the consent of the trustees?

But, even assuming the State Department is correct and that consents to any such utilization must be obtained from England, France, or both, certainly it is within the power of a U.S. district court to order the Secretary of State to negotiate in complete good faith for such consents, and in the event such consents are obtained, to clear the way for immediate transfer of the Czechoslovakian gold to the Czechoslovakian Claims Fund created by Congress.

Consequently, the purpose of my amendment is to empower the U.S. District Court for the District of Columbia to adjudicate these issues in an appropriate action, and upon a finding that the gold held or controlled by our Government legally belongs to Czechoslovakia, to issue all orders necessary to accomplish the lawful transfer of the liquidated proceeds of that gold to the Czechoslovakian Claims Fund in the Treasury for payment to the U.S. awardholders. The amendment also provides that, notwithstanding any other provision of law, gold liquidated pursuant to any court order in this instance may be sold at either public or private sale, the purpose being to obtain the highest prices for same then prevailing in the marketplace.

Finally, the amendment provides that in the event any balance remains in the Czechoslovakian Claims Fund after payment of the $105 million awards in favor of our citizens, that balance will be paid to Czechoslovakia in accordance with instructions received from the Secretary of State. If the payments made to U.S. awardholders pursuant to this amendment equal the full principal amounts due on said awards, $64 million, then, of course, under subsection (a) of section 408, Czechoslovakia immediately becomes eligible for most-favored-nation status, as well as U.S. grants, loans, and credits.

Because the Foreign Claims Settlement Commission of the United States has already adjudicated the expropriation awards held by U.S. citizens against Czechoslovakia, it seems clear that nothing involved in this amendment or any litigation hereafter filed in the district court pursuant thereto, involves the so-called act of state doctrine which sometimes precludes courts in the United States from reviewing acts of a foreign government "done within its own territory." The matter referred to litigation by this amendment is not the legality or illegality of Czechoslovakia's expropriation within Czechoslovakia of U.S. property. That issue was settled, pursuant to Public Law 85–604, by the Foreign Claims Settlement Commission, and thus there is no need for further litigation of that matter at this time. Under my amendment, the sole matters remitted to the district court for resolution are the questions of whether Czechoslovakia owns the gold physically held by the U.S. Government in this country and the gold controlled by the United States in England, and if Czechoslovakia does own the said gold, what orders can be fashioned by the court lawfully to transfer the proceeds of that gold to the payment of U.S. citizen awardholders.

In any event, in order to obviate the claim that the "act of state doctrine" or some similar doctrine might possibly preclude U.S. district court jurisidiction over the last mentioned issues, the purpose of my amendment, in line with the recent decision of the U.S. Supreme Court in *First National City Bank v. Banco Nacional de Cuba*, 406 U.S. 759 (1972), is to grant congressional or political approval to the adjudication of these issues; and by expressly giving jurisdiction over same to the U.S. District Court for the District of Columbia, to make it celar that, after 25 years of diplomatic stalemate and total executive branch inability to obtain payment of the U.S. expropriation awards, the adjudication by the court of the very narrow issues here involved will in no respect frustrate or impede the Executive's conduct of our Nation's foreign relations.

In other words, after decades of frustrating delay and inaction, the time has finally arrived when the legislative branch of our Government should authorize and empower the judicial branch to seek to provide fair compensation for the U.S. citizens whose properties were confiscated by Czechoslovakia approximately 25 years ago. Patently, the executive branch has been completely unable to do so.

Mr. LONG. Will the Senator yield?

Mr. GRAVEL. I am happy to yield.

Mr. LONG. Mr. President, what the Senator's amendment says is that these Americans have a right to have their day in court to determine if this gold can be attached by the United States and to determine if they have rights on it as they say they do. This would give them their day in court before the district court and I assume, if either side is not satisfied, the decision could be appealed to the Supreme Court of the United States for a judicial determination of their rights on these payments to these American claimants.

Mr. GRAVEL. The chairman is distinctly accurate. I was trying to define it to the benefit of Czechoslovakia itself in case it did not do the right thing.

I hope the chairman will accept it.

Mr. LONG. I favor the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska (Mr. GRAVEL).

The amendment was agreed to.

AMENDMENT NO. 2036

Mr. SCHWEIKER. Mr. President, I cal up my amendment No. 2036 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) proposes an amendment No. 2036. The amendment is as follows:

On page 63, between lines 14 and 15, insert the following flush language: "Representatives from each committee established under subsection (c) shall participate directly in any negotiation of any trade agreement referred to in section 101 or 102 to the same extent as a representative of a comparable committee or sector participates in such negotiations on behalf of any foreign country or instrumentality.".

On page 69, beginning with line 5, strike out through line 8.

Mr. SCHWEIKER. Mr. President, I will be very brief. I have two amendments. This is the first one. I have discussed this with the committee, and I believe they seem favorable to them.

This amendment simply says that when our negotiators are in negotiations that they will have the same right to call on our sector advisory committees as their foreign counterparts do with their comparable committees.

I think it is only fair and proper we should give our people affected by trade negotiations the same kind of representation their foreign counterparts have.

Mr. LONG. Mr. President, I would be pleased as manager to urge the Senate to agree to the amendment so that we could take it to conference and see if we could persuade the House to agree upon it.

The PRESIDING OFFICER. The

question is on agreeing to the amendment of the Senator from Pennsylvania (Mr. SCHWEIKER).

The amendment was agreed to.

AMENDMENT NO. 2038

Mr. SCHWEIKER. Mr. President, I call up my amendment No. 2038.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) proposes an amendment, No. 2038. The amendment is as follows:

On page 20, line 20, immediately after "(b)", insert "(1)".

On page 21, between lines 8 and 9, insert the following:

"(2) Before the President enters into any negotiations for a trade agreement under this section providing for the harmonization, reduction, or elimination of a barrier to (or other distortion of) international trade, he shall report separately to the Congress each subject matter area of United States law and administrative practice which he intends to affect under any trade agreement arising out of such negotiations. If such report states that the President intends to negotiate with respect to the subject matter area of consumer protection, employee health and safety, labor standards, or environmental standards, then the President may not enter into negotiations under this section with respect to such subject matter area unless the Congress approves such negotiations under the provisions of paragraph (3).

"(3) Negotiations may be entered into under this section with respect to each subject matter area described in paragraph (2) only if negotiation of such subject matter area is specifically approved by the Congress by the adoption of a negotiation approval resolution (described in section 151 (b)).".

On page 75, line 19, immediately after the comma, insert the following: "negotiation approval resolutions described in subsection (b)(4),".

On page 77, between lines 9 and 10, insert the following:

"(4) The term 'negotiation approval resolution' means only a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: 'That the Congress approves the negotiation of the following subject matter area of United States law and administrative practice as stated in the report transmitted by the President to the Congress on the first blank space filled with the subject matter area involved and the second blank space being filled with the appropriate date.'".

On page 79, between lines 5 and 6, insert the following new paragraph:

"(3) On the day on which a proposed subject matter reported is transmitted to the House of Representatives and the Senate under section 102(b)(2), a negotiations approval resolution with respect to such report shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and the minority leader of the Senate. If either House is not in session on the day on which such a report is transmitted, the negotiation approval resolution with respect to such agreement shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. The negotiation approval resolution introduced in the House shall be referred to the Committee on Ways and Means and the negotiation approval resolution introduced in the Senate shall be referred to the Committee on Finance.".

On page 79, line 7, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 79, line 18, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 80 lines 5 and 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 80, line 7, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 80, lines 10 and 11, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 80, line 14, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 81, line 15, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 81, line 20, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, line 1, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, lines 2 and 3, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, line 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, line 12, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, line 16, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 82, line 22, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 83, line 4, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 83, lines 10 and 11, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 83, lines 18 and 19, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

On page 83, line 24, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or negotiation approval resolution".

Mr. SCHWEIKER. Mr. President, this requires prenotification of Congress prior to trade negotiations affecting laws that the Congress has already passed.

By this amendment, our rights as legislators are protected. It gives Congress an oversight role in seeing that the laws and regulations we have approved are not modified in trade negotiations, unless we are notified in advance and have an opportunity to approve the proposed negotiating authority.

Mr. LONG. Mr. President, this is consistent with the bill. I shall be pleased to vote for it, myself. I have discussed it with my colleagues, and they think the amendment has merit.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2071

Mr. McINTYRE. Mr. President, on behalf of the distinguished Senator from Massachusetts (Mr. KENNEDY) I call up his amendment No. 2071.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Mr. McINTYRE, in behalf of Mr. KENNEDY, proposes an amendment, No. 2071.

The amendment is as follows:

On page 33, line 10, strike out "and".

On page 33, line 14, strike out the period and insert ", and".

On page 33, after line 14, insert the following:

"(14) any revisions necessary to establish an international agreement on footwear, within the GATT, including the creation of regular and institutionalized mechanism for the settlement of disputes, and of a surveillance body to monitor all international shipments in footwear."

Mr. McINTYRE. Mr. President, a year ago, a successful international agreement on textiles was reached—a welcome achievement.

In March of this year a letter was sent to the President signed by 33 Members of Congress representing New England, to seek a similar international agreement on trade in footwear.

Fewer industries have suffered from increasing imports than the footwear industry. Twenty-five thousand jobs in the industry have been lost over the past decade in New England, more than 11,000 in Massachusetts alone.

This amendment will give specific authorization to the President to negotiate in the GATT for an international agreement on footwear.

Mr. President, I move the adoption of the amendment.

Mr. LONG. Mr. President, this is an amendment which I stated previously that we on the committee would urge the Senate to take. I hope that the Senate agrees to the amendment. I am happy to join with the Senator from New Hampshire in a mutual effort to assist his people who manufacture footwear.

Mr. McINTYRE. Mr. President, I thank the distinguished chairman of the committee on behalf of Senator KENNEDY and others for accepting this amendment.

I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2072

Mr. McINTYRE. Mr. President, I call up, in behalf of Mr. KENNEDY, amendment No. 2072 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 132, line 8, strike out "70 percent" and insert 75 percent".

Mr. McINTYRE. Mr. President, I ask modification of the amendment, that on line 2, the "80 percent" be changed to "75 percent."

The PRESIDING OFFICER. Is there objection to modifying the amendment?

The Chair hears none. It is so ordered.

Will the Senator please send the modification to the desk?

Mr. HANSEN. Will the Senator yield for a unanimous-consent request while the modification is on its way to the desk?

Mr. McINTYRE. I am happy to yield.

Mr. HANSEN. Mr. President, I ask unanimous consent that my staff people, Noland McKean and Sonny Nixon, be on the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, the committee bill provides for 70 percent of the worker's average weekly wage. The principle is that no worker or sector of workers should suffer from the Government's decision to enter trade negotiations.

The amendment will increase benefit levels of adjustment assistance to 75 percent of the worker's average weekly wage, but not in excess of the average weekly manufacturing wage.

I move adoption of the amendment as modified.

Mr. LONG. Mr. President, in the spirit of compromise, we are willing to agree to the amendment. I shall vote for it.

Mr. McINTYRE. I thank the chairman, and move the adoption of the amendment as modified.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

NELSON AMENDMENT

Mr. NELSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state it.

The assistant legislative clerk read as follows:

On page 264, between lines 18 and 19, insert the following new section,

SEC. 410. WAIVER OF SECTION 409.

During any period that a waiver is in effect with respect to any non-market economy country under section 402(c), that waiver shall also apply with respect to that country for the purpose of waiving the provisions of subsections (a) and (b) of section 409.

Mr. NELSON. Mr. President, the legislative counsel advises that the waiver provision of the Jackson amendment does not, in fact, apply to the amendment offered by the distinguished Senator from North Carolina (Mr. HELMS). It was everybody's intent, I am sure, that the same waiver amendment that applies to the Jackson amendment apply to the Helms amendment.

Mr. President, I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2052

Mr. MONDALE. Mr. President, I call up my amendment No. 2052.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MONDALE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 267, strike out lines 22 and 23 and insert the following:

"(1) if such country is a Communist country, unless (A) the products of such country receive nondiscriminatory treatment, (B) such country is a contracting party to the General Agreement on Tariffs and Trade and a member of the International Monetary Fund, and (C) such country is not dominated or controlled by international communism;".

Mr. MONDALE. Mr. President, this amendment affects title V of the bill relating to the generalized system of tariff preferences. The bill in its present form would deny GSP to all Communist countries. My amendment would provide a limited exception to this rule, by providing for eligibility of countries that are contracting parties to the General Agreement on Tariffs and Trade and members of the International Monetary Fund, that also receive nondiscriminatory tariff treatment and are not dominated or controlled by international communism.

In my judgment it is unfortunate that the Senate Finance Committee adopted language barring GSP for Communist countries. In practice, there are only two countries this prohibition would affect—Romania and Yugoslavia. In earlier deliberations on the bill, the committee had made a tentative decision to exempt Romania and Yugoslavia from the prohibition—in recognition of their more independent foreign policy, and, in the case of Yugoslavia, the more humane domestic political and economic structure as well. That exception is now missing from this bill.

Mr. President, to deny the administration the authority to extend the generalized tariff preference system to Romania and Yugoslavia would adversely affect our commercial and economic interests in both countries with correspondingly negative political consequences. Such preferences are of high priority to the leaders of both countries both for commercial reasons and the recognition of them as LDC's, and also because they would lend support to the independent foreign policy of each country, an independence most concretely manifested by expanding trade with the West. To sustain these trade ties and to continue to import increasing quantities of capital goods from the United States, Yugoslavia, and Romania must be able to export their products to our market. In order to remain competitive, GSP is essential for this objective.

I shall not burden you with a recitation of a whole list of statistics. But I think it significant to note that two-way trade between the United States and Yugoslavia grew from $258 million in 1970 to $422 million in 1973 with a $48 million surplus for the United States in 1973. Even more dramatic increases in trade were registered between the United States and Romania during the same period—up from $79 million two-way exchange in 1970 to $171 million in 1973 and an anticipated exchange of $450 million in 1974. Once again, the trade balance was significantly in our favor by about 2 to 1.

The importance which these countries attach to economic relations with the United States was seen in President Tito's personal attendance at the groundbreaking ceremony several days ago for a $400 million-plus nuclear powerplant to be built by an American firm.

Mr. President, the sole beneficiaries of excluding Romania and Yugoslavia from the generalized system of tariff preferences would be those countries which oppose improvement in our relations with those two countries. Specifically, the Soviet Union stands ready to capitalize on any reversal of our efforts to draw Romania and Yugoslavia into free associations with the Western World.

Mr. President, I understnad that the administration supports this amendment, and it has very little significance to the trade bill in terms of the volume of imports it would permit.

These two nations, in my opinion, are trying to seek their own independent foreign policy, and not to accord them this status would be in the form of an insult. I hope that the floor manger can accept this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

AMENDMENT NO. 2060

Mr. DOLE. Mr. President, I call up my amendment No. 2060 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 25, line 10, delete the comma following the word "feasible" and insert therefor "and consistent with the provisions of section 103,".

Mr. DOLE. Mr. President, this amendment is designed to clear up an ambiguity in the bill. The existing language in sections 103 and 104 are contradictory in appearance. My amendment would resolve the apparent contradiction by simply requiring that section 104 be implemented in a manner "consistent with the provisions of section 103." I believe this amendment is in line with good drafting practice by keeping consistenty among all provisions in the bill.

The ambiguity presently existing in the bill is especially relevant to trade negotiations on farm commodities. Exports of farm commodities have been one of the few bright spots in our foreign

trade picture. Exports of farm commodities have made a very substantial contribution to keeping a relatively positive balance of trade which is so important for reducing the rate of inflation we are experiencing. Farm exports are vitally related to the well-being of our national economy. The amendment I am introducing would facilitate keeping farm exports at a level beneficial to the health and strength of our economy.

OFFSET OIL IMPORTS

In fiscal year 1974, agriculture exports reached a record level of over $21 billion. That meant a surplus in agriculture trade of about $12 billion. The cost of oil imported into this country exceeded $20 billion in the first 10 months of 1974. That cost has been a major impetus to inflation in this country. Our national oil bill has increased by over $12 billion this year over last and had it not been for this increase, the $21 billion in farm exports would have more than offset our oil imports by a healthy margin.

In fiscal year 1973, our agricultural trade had a surplus of $9.3 billion. That surplus exactly offset the $9.3 billion in oil imports into this country. Because farm exports offset oil imports in fiscal year 1973, we enjoyed a trade surplus of $1.7 billion overall.

Clearly we need to maintain a high level of agricultural exports in order to reduce the deficit in our balance of trade resulting from oil imports. Although we are making every effort to reduce oil imports, every estimate I have seen shows a continuing dependence on foreign oil for some time to come. The high level of farm exports this year have kept our trade deficit from becoming even greater. We must make every effort to keep our agricultural exports at a high level and that is why I am introducing this amendment today.

ADVANTAGE OF FREER TRADE

The basic objectives of the Trade Reform Act are set forth in section 2, the statement of purposes in the bill. These objectives can be attained only if the nations participating in the upcoming round of multinational trade negotiations are convinced that an international trading system based on comparative advantage offers maximum opportunities for obtaining economic benefits for the peoples of all nations. Under such a system, each country will export those industrial and agricultural commodities which it can produce efficiently and in volume and will receive from other countries those commodities which other countries have a comparative advantage in.

Adherence to this basic economic principle can result in an expansion of international trade that will be mutually advantageous to all nations.

SECTOR NEGOTIATIONS LIMITED

Expansion of agricultural exports offers our country its greatest opportunity to improve our balances of trade and payments and to meet the increased cost of imports of petroleum and other essential raw materials now in short supply. It is essential to our national interests that agriculture not be separated from industry during the upcoming negotiations.

There are few opportunities for gaining trade concessions on our agricultural exports by granting comparable concessions on our agricultural imports. There are several reasons for this.

First, we have already reduced most restrictions on our imports of foreign agricultural commodities. Because we have already lifted these restrictions, we have few opportunities to make concessions to other nations by further reducing restrictions on foreign imports. We have in effect given away most of our bargaining chips in this area already. Because we have few concessions left to give, negotiations limited strictly to the agricultural sector will hardly offer much promise of gaining expansion of agricultural exports that we so greatly need.

Second, we have no direct subsidies or rigid quantitative controls on commercial export shipments of agricultural commodities. While export subsidies might be beneficial to our farm commodity export position, all subsidies were phased out when farm exports increased last year. That means we have no trade distortions of these kinds to place on the negotiating table and this would be a further restriction to expanding our agriculture exports if our negotiators are restricted to a sector-by-sector negotiating basis.

Commercial exports of our agricultural commodities are confronted by foreign import barriers of great multiplicity and magnitude. The trade bill contains authority for the President to reduce these tariff and nontariff barriers. However, that can best be accomplished by negotiating on a multisector basis as opposed to a sector-by-sector basis.

Finally, our domestic agriculture possesses tremendous competitive strength in terms of ability to supply large quantities of many of the commodities in world trade. For our country, this is a national asset, but some countries, for political or other reasons, wish to remain largely self-sufficient in food production. This further increases the difficulty of expanding our agricultural exports. If restricted to a sector-by-sector approach, our negotiators will be less successful in overcoming these obstacles than if permitted to use a multisector approach.

The bill we reported out of the Senate Finance Committee provides many substantial improvements over the language in the House-passed bill. The Senate Finance Committee report further improves the intent of this language. However, ambiguity remains. On December 3, Ambassador Malmgren, Deputy Special Representative for Trade Negotiations, made it clear in a meeting with farm representatives that practically any manufacturing industry could be isolated for negotiations on a sector basis if it so desired. Such an interpretation of the law could result in negotiations on agriculture commodities being restricted to that sector alone. This could be disastrous for expansion of our agricultural exports and ultimately for the economy as a whole.

Section 103 provides flexibility for negotiation in order to expand agricultural trade in a meaningful manner. Yet section 104, immediately following, seems to contradict the previous section by requiring that negotiations be conducted to the extent feasible on a sector-by-sector basis. My amendment would insure that section 104 is consistent with section 103 by simply inserting the phrase "and consistent with the provisions of section 103." This minor change would insure that the provisions within the bill are consistent with each other.

The minor change in the bill that I am proposing should be noncontroversial. I hope we can accept this amendment to the Trade Reform Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

AMENDMENT NO. 2028

Mr. CHURCH. Mr. President, I send to the desk my Amendment No. 2028 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH), proposes amendment No. 2028.

The amendment is as follows:

On page 22, beginning with line 3, strike out through line 7 and insert in lieu thereof the following: "international trade, he shall submit such agreement, together with—

"(A) a draft of an implementing bill (described in section 151(b)) and a statement of any administrative action proposed to implement such agreement, to the Congress as provided in subsection (e), and

(B) an employment impact statement setting forth in detail, and substantiated with factual information, job losses and gains which may be expected as a result of such agreement, and

such agreement shall enter into".

On page 97, line 12 after the period, insert the following: "Such statement shall include an employment impact statement setting forth in detail job losses and gains which may be expected as a result of such agreement. To the maximum extent possible, the employment statement shall be substantiated with factual information."

Mr. CHURCH. Mr. President, I strongly support the goals of the Trade Reform Act to reduce the barriers to free trade. While I believe that unrestricted world trade will ultimately be of great benefit to the American worker, I also recognize the responsibility of this Government, and of this Congress to insure that the transition from import controls to lower trade barriers does not, in the short run, unduly damage the employment situation.

As the bill now stands, Congress would have to consider trade agreements submitted for its approval by the executive branch, without having any prior assessment of the employment effects of those agreements. Yet employment effects are clearly a major factor in determining the relative merits of any trade agreement, especially at a time when this Nation's unemployment rate is 6½ percent and rising.

My amendment would require the executive branch to submit an assessment of the employment impact of any trade agreement at the time the agreement is

submitted to Congress. Only with such information in hand can the Congress fulfill its responsibilities under the Trade Reform Act.

I hope that it is possible that the distinguished chairman may accept the amendment.

Mr. BENNETT. Mr. President, may I comment before the chairman replies?

I am in complete sympathy with the objective of this amendment. I do not think any amendment has a crystal ball. I do not think that it is possible to require the President to submit an employee impact statement in detail, substantiated with factual information, about job losses and gains which can be expected as a result of a change in the tariff. I recognize that the amendment, in a sense, is harmless, but I do not think—I assume that the chairman is going to take it, and I shall not object to that. I do feel that I had to make the point that this requires more or less of an impossible performance on the part of the President. I hope its sponsor does not expect too much practical result from it.

Mr. LONG. Mr. President, if the information regarding employment can be obtained, I am sure that it will be good to have it. It would be useful to Congress and to the Nation to have this information. If the requirements of the amendment are more than the administration can do, I would think that we might be able to moderate that in conference. I hope that they will take it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2029

Mr. CHURCH. Mr. President, I send amendment No. 2029 to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes amendment No. 2029.

The amendment is as follows:

On page 191, beginning with line 11, strike out through line 23 and insert in lieu thereof the following:

SEC. 282. TRADE MONITORING SYSTEM.

The Secretary of Commerce and the Secretary of Labor shall establish and maintain programs—

(1) to monitor imports of articles into the United States which will reflect changes in the volume of such imports, the relation of such imports to changes in domestic production, changes in employment within domestic industries producing articles like or directly competitive with such imports, and the extent to which such changes in production and employment are concentrated in specific geographic regions of the United States, and

(2) to systematically gather information about the international operations of each multinational corporation doing business in the United States including—

(A) the amount of total direct investment by such corporation in each foreign affiliate of such corporation by product line, such foreign affiliate with respect to forporation from each such affiliate, the amount of consolidated net income of each such foreign affiliate, the amount of taxes actually paid by such corporation and by each such foreign affiliate with respect to foreign affiliate operations, and information about all mergers, acquisitions, liquidations, and investments in foreign countries involving such corporation;

(B) the gross sales by product line of such corporation and of each foreign affiliate of such corporation in each foreign country in which such affiliate is doing business, the dollar amount by product line of articles which such corporation imports from each foreign country and of articles which such corporation exports to each foreign country, the dollar amount of trade by product line which such corporation carries on with each such foreign affiliate,

(C) employment data showing the number of foreign employees of such corporation and of each foreign affiliate of such corporation by country and by the level of compensation of such employees,

(D) the dollar amount of research and development expenditures by such corporation in foreign countries by country and by activity, and

(E) the location and name of all branches of such corporation and each foreign affiliate of such corporation located in foreign countries, and the total assets, income, and a description of the product line of such branch and such affiliate.

A summary of the information gathered under subsections (a) and (b) shall be published regularly and provided to the Adjustment Assistance Coordinating Committee, the International Trade Commission, and to the Congress.

Mr. CHURCH. Mr. President, section 282 of the Trade Reform Act provides that the Secretaries of Commerce and Labor should monitor imports into the United States. But the provisions of this section do not adequately take into consideration the fact that the nature and volume of U.S. trade is today largely determined by the investments in production facilities abroad made by U.S. multinational corporations. According to estimates made by the U.S. Tariff Commission in 1973, intracompany trade between U.S. based multinational corporations and their foreign affiliates accounts for fully a third of aggregate U.S. exports and imports. Nonaffiliate flows probably account for another large share of total U.S. trade. Unfortunately, there is no accurate measure of the true impact of multinational corporate activities on U.S. trade because no responsible government agency collects the data which could provide a precise answer.

As chairman of the Subcommittee on Multinational Corporations I have personally been frustrated by the lack of statistical information on multinational corporations and I fail to see how the Government can possibly develop a rational and cohesive policy on trade and many other matters without such data.

In my view, it is essential that the Government have access to precise and detailed information on a regular basis regarding the foreign acquisitions and mergers of U.S. corporations and particularly data on the trade and financial flows between parent companies and their foreign affiliates. The Secretary of Commerce undertook a very limited survey on U.S. multinational corporations in 1966 and 1970. This survey was widely criticized for its failure to gather data on intracompany relationships. The Secretary proposed to carry out a more ambitious survey in 1974, but other Government agencies questioned his legal authority to conduct such a survey and the idea has reportedly been abandoned.

My amendment would provide the legal authority—indeed, it would require the Secretaries of Commerce and Labor to collect extensive information on U.S. multinational corporations. The amendment also insures that the full range of data collected by these Departments will be available to all Members of Congress on request. This information will give both the executive branch and Congress a necessary tool in maximizing the benefits to be derived from the other provisions of the Trade Reform Act.

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum supporting my argument in favor of the amendment.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., December 13, 1974.

MEMORANDUM

To: All Members, Subcommittee on Multinational Corporations.

From: The Staff.

Re: The Department of Commerce Bench-Mark Survey of U.S. Foreign Direct Investment.

Experts in the field agree that there is a critical lack of comprehensive and reliable data on the operations of multinational corporations.

The only broad survey of U.S. multinational corporations is the Bureau of Economic Analysis (BEA) Department of Commerce 1966 bench-mark survey, "The Multinational Corporation: Studies of U.S. Foreign Direct Investment," with a limited sample up-date done in 1970. While this is the best data available, it is woefully inadequate: since the data base and the method of analysis used in the 1970 survey is not the same as for 1966, the data is of limited use for showing trends or changes in U.S. foreign investment over time; neither survey asks detailed questions about the relationship between parent companies and their foreign affiliates, although this is at the very core of the nature of multinational corporations; finally, since individual company data is confidential, and Commerce may not reveal it even to other government agencies including Congress, the published data is aggregated in such a way as to make any but the crudest conclusions about the behavior of U.S. multinational corporations impossible. (See attached sample.)

The Tariff Commission drew heavily on this Commerce data in its 1973 report to the Senate Finance Committee on the impact of multinational corporations on U.S. trade and employment, but states in the introduction to the report that the work of the Commission was hampered by "the limitation of resources including particularly the type and quality of available research materials." It complains that the 1966 and 1970 Commerce Department data was not comparable and that "certain significant data respecting foreign affiliates in which U.S. concerns hold less than a majority interest were unavailable, as were certain substantive data on the operations of subsidiary concerns of the foreign affiliates of U.S.-based MNC's. A notable gap relates to the lack of data respecting the imports of the foreign affiliates of U.S. concerns from third countries."

In addition, the Commission could only estimate the total employment by multinational corporations because the relevant figures have not been collected.

Four months ago, the Department of Commerce began to prepare the 1973 or 1974

bench-mark survey of U.S. foreign direct investment, along the same lines as the previous two studies. Results of this study could then be juxtaposed with the detailed study of foreign direct investment in the U.S. just initiated by Treasury. Before the questionnaires can be sent out, however, the BEA has to have the approval of the interdepartmental National Advisory Committee on International Monetary and Financial Policy (NAC) which consists of representatives of Commerce, Treasury, State Department, the Federal Reserve Board and the Export-Import Bank, with Treasury chairing.

The NAC, and specifically Treasury and the Federal Reserve, has now expressed serious doubts about the legal authority of Commerce to conduct such a survey, even though the legal mandate was deemed adequate in 1966 and 1970. The authority under which the previous surveys were done was the Bretton Woods Agreement by which the U.S. Government agrees to furnish the International Monetary Fund certain data, chiefly pertaining to the balance of payments, on a regular basis. The NAC has now decided to give the narrowest possible interpretation to this mandate and insist that 40 percent of the questions asked in previous MNC surveys be dropped.

The proposed deletions cover precisely those areas in which the earlier surveys were weakest. For example, any questions pertaining to company foreign income, number of employees abroad, trade, foreign licensing fees paid, taxes other than income taxes paid abroad, have all been crossed off. Moreover, the few questions relating to parent-affiliate ties which were included in the original questionnaire are to be eliminated altogether; companies will no longer have to provide data on intra-company trade by product and by country, nor on the distribution of individual affiliate sales to the home country, (the U.S.) as compared to the host country. Most shocking of all, the question about company expenditures for mining and petroleum exploration and development abroad has also been eliminated!

Although the NAC so far has met only at the staff level, under the Chairmanship of Jim Griffith of Treasury, a BEA official told us that it is clear from their adamantly negative stand that any attempt to raise the issue at the secretarial level would be futile. And even a 3 to 2 vote of the NAC in favor of sending out the questionnaire would not necessarily carry the day. A number of corporations have indicated that they would challenge the legality of the survey in the courts if the survey asks for more than balance of payments related data. BEA feels that it would be a waste of time and money to send out an abbreviated questionnaire. It is therefore likely to drop the matter for now and to ask for a stronger legislative mandate from the next Congress.

Every government recognizes the necessity of obtaining detailed and comprehensive statistics about key domestic sectors of the economy. Given the tremendous impact of multinational corporations on the economy and on U.S. foreign policy, the same standards should apply to U.S. foreign direct investment.

At the very least, the Subcommittee should notify the members of the NAC of its concern that a comprehensive survey of MNC's be carried out. If further legislation authorizes the Commerce Department to carry out such a survey, the Subcommittee should rightfully play a role in designing and processing this legislation.

TABLE 3N.—BALANCE SHEET AND INCOME ACCOUNT WITH SALES AND EMPLOYMENT DETAIL FOR 1966 OF MAJORITY-OWNED FOREIGN AFFILATES OF PETROLEUM PARENTS

[Millions of dollars; thousands of employees]

Item	Industry of foreign affiliate												
		Manufacturing								Other			
	All industries	Total	Food products	Chemicals and allied products	Primary and fabricated metals	Machinery	Transportation equipment	Other manufacturing	Petroleum	Total	Mining and smelting	Trade	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
BALANCE SHEET ITEMS													
1. Total assets	24,131								21,901				
2. Of which: Net property, plant, and equipment	12,269								11,658				
3. Total liabilities	13,004								11,719				
4. Net worth	11,134								10,180				
INCOME ACCOUNT ITEMS													
5. Net sales of goods or services	26,436								23,564				
6. Other income	622								565				
7. Total income	27,058								26,253				
8. Depreciation, depletion and related charges	1,156								1,103				
9. Cost of employees and cost of goods or services sold	15,521								14,941				
10. Interest	255								219				
11. Taxes other than income taxes	4,637								4,621				
12. Other costs, excluding income tax	1,385								1,318				
13. Total costs and expenses	22,954								22,201				
14. Net income before income taxes (line 7 minus line 13)	4,104								4,452				
15. Income taxes	2,250								2,223				
16. Net income after income taxes	1,854								1,324				
DETAIL TO INCOME ACCOUNT: SALES DATA													
17. Local sales	18,473								17,921				
18. Of which: Sales to all affiliates of reporter	3,100								3,053				
19. Exports to United States	1,370												
20. Of which: Sales to reporter	1,074								1,067				
21. Exports to other countries	6,534												
22. Of which: Sales to all affiliates of reporter	4,990								4,938				
EMPLOYEES AND PAYROLL COSTS													
23. Number of employees	313								292				
24. Payroll costs of employees	1,559								1,474				

[1] Finance and insurance affiliates were not required to file the detailed sales data in 1966 and, therefore, the detailed sales data exclude sales of these affiliates and the sum of lines, 17, 19, and 21 thus is not equal to line 5 in the income account.

[1] Source: U.S. Department of Commerce, Bureau of Economic Analysis, International Investment Division.

Mr. CHURCH. Mr. President, I hope that the distinguished chairman will accept the amendment.

Mr. LONG. Mr. President, it would be good to have the information, if we could get it, and I will cooperate to see if we can get it.

The PRESIDING OFFICER (Mr. METZENBAUM). The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2033

Mr. CHURCH. Mr. President, I send to the desk amendment No. 2033.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes amendment No. 2033.

The amendment is as follows:

At the end of the bill add the following new title:

TITLE VII—AMENDMENTS TO INTERNAL REVENUE CODE

SEC. 701. TAXATION OF EARNINGS AND PROFITS OF CONTROLLED FOREIGN CORPORATIONS.

(a) Part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to income from sources without the United States) is amended by inserting after subpart II thereof the following new subpart:

"Subpart I—Controlled Foreign Corporations

"Sec. 985. Amounts included in gross income of United States shareholders.

"Sec. 986. Definitions.

"Sec. 987. Rules for determining stock ownership.

"Sec. 988. Exclusion from gross income of previously taxed earnings and profits.

"Sec. 989. Adjustments to basis of stock in controlled foreign corporations and of other property.

"Sec. 990. Records and accounts of United States shareholders.

"SEC. 985. AMOUNTS INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.

"(a) AMOUNTS INCLUDED.—

"(1) IN GENERAL.—If a foreign corporation is a controlled foreign corporation for an uninterrupted period of 30 days or more during any taxable year, every United States shareholder of such corporation who owns (within the meaning of section 987(a)) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in its gross income, for its taxable year in which or with which such taxable year of the corporation ends, its pro rata share of the corporation's earnings and profits for such year.

"(2) PRO RATA SHARE OF EARNINGS AND PROFITS.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 987 (a)) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it had distributed pro rata to its shareholders an amount (i) which bears the same ratio to its earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the amount determined under subparagraph (A), as (ii) the part of such year described in subparagraph (A)(ii) during which such shareholder did not own (within the meaning of section 987(a)) such stock bears to the entire year.

"(b) EARNINGS AND PROFITS.—For purposes of this subpart, under regulations prescribed by the Secretary or his delegate, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m)(3), shall be determined according to rules substantially similar to those applicable to domestic corporations,

"(2) shall be appropriately adjusted for deficits in earnings and profits of such corporation for any prior taxable year beginning after the date o fthe enactment of the Trade Reform Act of 1974,

"(3) shall not include any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States, and

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country.

"(c) COORDINATION WITH ELECTION OF A FOREIGN INVESTMENT COMPANY TO DISTRIBUTE INCOME.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247(c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) COORDINATION WITH FOREIGN PERSONAL HOLDING COMPANY PROVISIONS.—In the case of a United States shareholder who, for his taxable year, is subject to tax under section 551(b) (relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"SEC. 986. DEFINITIONS.

"(a) UNITED STATES SHAREHOLDER DEFINED.— For purposes of this subpart, the term 'United States shareholder' means, with respect to any foreign corporation, a United States person (as defined in section 957(d)) who owns (within the meaning of section 987(a)), or is considered as owning by applying the rules of ownership of section 987 (b), 1 percent or more of the total combined voting power of all classes of stock entitled to vote of such foreign corporation.

"(b) CONTROLLED FOREIGN CORPORATION DEFINED.—For purposes of this subpart, the term 'controlled foreign corporation' means any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock entitled to vote is owned (within the meaning of section 987(a)), or is considered as owned by applying the rules of ownership of section 987 (b), by United States shareholders on any day during the taxable year of such foreign corporation.

"SEC. 987. RULES FOR DETERMINING STOCK OWNERSHIP.

"(a) DIRECT AND INDIRECT OWNERSHIP.—

"(1) GENERAL RULE.—For purposes of this subpart, stock owned means—

"(A) stock owned directly, and

"(B) stock owned with the application of paragraph (2).

"(2) STOCK OWNERSHIP THROUGH FOREIGN ENTITIES.—For purposes of subparagraph (B) of paragraph (1), stock owned, directly of indirectly, by or for a foreign corporation or foreign estate (within the meaning of section 7701(a)(31)) or by or for a partnership or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries. Stock considered to be owned by a person by reason of the application of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(b) CONSTRUCTIVE OWNERSHIP.—For purposes of section 986, section 318(a) (relating to constructive ownership of stock) shall apply to the extent that the effect is to treat any United States person as a United States shareholder within the meaning of section 986(a), or to treat a foreign corporation as a controlled foreign corporation under section 986(b), except that—

"(1) in applying paragraph (1)(A) of section 318(a), the stock owned by an unresident alien individual (other than a foreign trust or a foreign estate) shall not be considered as owned by a citizen or by a resident alien individual,

"(2) in applying subparagraphs (A), (B), and (C) of section 318(a)(2), if a partnership, estate, trust, or corporation owns, directly or indirectly, more than 50 percent of the total combined voting power of all classes of stock entitled to vote of a corporation, it shall be considered as owning all of the stock entitled to vote,

"(3) in applying subparagraph (C) of section 318(a)(2), the phrase '10 percent' shall be substituted for the phrase '50 percent' used in subparagraph (C), and subparagraphs (A), (B), and (C) of section 318(a)(3) shall not be applied so as to consider a United States person as owning stock which is owned by a person who is not a United States person.

"SEC. 988. EXCLUSION FROM GROSS INCOME OF PREVIOUSLY TAXED EARNINGS AND PROFITS.

"(a) EXCLUSION FROM GROSS INCOME.—For purposes of this chapter, the earnings and profits for a taxable year of a foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 985(a), shall not, when such amounts are distributed directly, or indirectly through a chain of ownership described under section 987(a), to—

"(1) such shareholder (or any other United States person who acquires from any person any portion of the interest of such United States shareholder in such foreign corporation, but only to the extent of such portion, and subject to such proof of the identity of such interest as the Secretary or his delegate may by regulations prescribe), or

"(2) a trust (other than a foreign trust) or which

"(2) a trust (other than a foreign trust) of which such shareholder is a beneficiary, be again included in the gross income of such United States shareholder (or of such United States person or of such trust).

"(b) EXCLUSION FROM GROSS INCOME OF CERTAIN FOREIGN SUBSIDIARIES.—For purposes of section 985(a), the earnings and profits for a taxable year of a controlled foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 985(a), shall not, when distributed through a chain of ownership described under section 987(a), be also included in the gross income of another controlled foreign corporation in such chain for purposes of the application of section 985(a) to such other controlled foreign corporation with respect to such United States shareholder (or to any other United States shareholder who acquires from any person any portion of the interest of such United States shareholder in the controlled foreign corporation, but only to the extent of such portion, and sub-

ject to such proof of identity of such interest as the Secretary or his delegate may prescribe by regulations).

"(c) ALLOCATION OF DISTRIBUTIONS.—For purposes of subsections (a) and (b), section 316(a) shall be applied by applying paragraph (2) thereof, and then paragraph (1) thereof—

"(1) first, to earnings and profits attributable to amounts included in gross income under section 985(a), and

"(2) then to other earnings and profits.

"(d) DISTRIBUTIONS EXCLUDED FROM GROSS INCOME NOT TO BE TREATED AS DIVIDENDS.—Any distribution excluded from gross income under subsection (a) shall be treated, for purposes of this chapter, as a distribution which is not a dividend.

"SEC. 989. ADJUSTMENTS TO BASIS OF STOCK IN CONTROLLED FOREIGN CORPORATIONS AND OF OTHER PROPERTY.

"(a) INCREASE IN BASIS.—Under regulations prescribed by the Secretary or his delegate, the basis of a United States shareholder's stock in a controlled foreign corporation, and the basis of property of a United States shareholder by reason of which it is considered under section 987(a)(2) as owning stock of a controlled foreign corporation shall be increased by the amount required to be included in its gross income under section 985(a) with respect to such stock or with respect to such property, as the case may be, but only to the extent to which such amount was included in the gross income of such United States shareholder.

"(b) REDUCTION IN BASIS.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary or his delegate, the adjusted basis of stock or other property with respect to which a United States shareholder or a United States person receives an amount which is excluded from gross income under section 988(a) shall be reduced by the amount so excluded.

"(2) AMOUNT IN EXCESS OF BASIS.—To the extent that an amount excluded from gross income under section 988(a) exceeds the adjusted basis of the stock or other property with respect to which it is received, the amount shall be treated as gain from the sale or exchange of property.

"SEC. 990. RECORD AND ACCOUNTS OF UNITED STATES SHAREHOLDERS.

"(a) RECORDS AND ACCOUNTS TO BE MAINTAINED.—The Secretary or his delegate may by regulations require each person who is, or has been, a United States shareholder of a controlled foreign corporation to maintain such records and accounts as may be prescribed by such regulations as necessary to carry out the provisions of this subpart.

"(b) TWO OR MORE PERSONS REQUIRED TO MAINTAIN OR FURNISH THE SAME RECORDS AND ACCOUNTS WITH RESPECT TO THE SAME FOREIGN CORPORATION.—Where, but for this subsection, two or more persons would be required to maintain or furnish the same records and accounts as may by regulations be required under subsection (a) with respect to the same controlled foreign corporation for the same period, the Secretary or his delegate may by regulations provide that the maintenance or furnishing of such records and accounts by only one such person shall satisfy the requirements of subsection (a) for such other persons."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 864(c)(4)(D) of such Code is amended to read as follows:

"(D) No income from sources without the United States shall be treated as effectively connected with the conduct of a trade or business within the United States if it consists of dividends, interest, or royalties paid by a foreign corporation in which the taxpayer owns (within the meaning of section 958(a)), or is considered as owning (by applying the ownership rules of section 958(b)), more than 50 percent of the total combined voting power of all classes of stock entitled to vote."

(2) Section 951 of such Code is amended by adding at the end thereof the following:

"(e) TAXABLE YEARS ENDING AFTER ENACTMENT OF THE TRADE REFORM ACT OF 1974.—No amount shall be required to be included in the gross income of a United States shareholder under subsection (a) (other than paragraph (1)(A)(ii), or paragraph (1)(B) of such subsection) with respect to a taxable year of a controlled foreign corporation beginning after the date of the enactment of the Trade Reform Act of 1974."

(3) Section 1016(a)(20) of such Code is amended by striking out "section 961" and inserting in lieu thereof "sections 961 and 990".

(4) Section 1246(a)(2)(B) of such Code is amended by inserting "or 985" after "section 951" and by inserting "or 988" after "section 959."

(5) Section 1248(d)(1) of such Code is amended to read as follows:

"(1) AMOUNTS INCLUDED IN GROSS INCOME UNDER SECTION 951 OR 985.—Earnings and profits of the foreign corporation attributable to any amount previously included in the gross income of such person under section 951 or 985, with respect to the stock sold or exchanged, but only to the extent the inclusion of such amount did not result in an exclusion of an amount from gross income under section 959 or 988."

(c) The table of subparts of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"Subpart I. Controlled foreign corporations."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders within which or with which such taxable years of such foreign corporations end.

SEC. 702. ELIMINATION OF WESTERN HEMISPHERE TRADE CORPORATION PROVISIONS.

(a) Section 921 of the Internal Revenue Code of 1954 (relating to Western Hemisphere trade corporations) is amended by—

(1) inserting "(a)" before the first word of the text of that section, and

(2) adding at the end thereof the following new subsection:

"(b) No corporation shall be treated as a Western Hemisphere trade corporation for any taxable year beginning after the date of enactment of the Trade Reform Act of 1974."

(b)(1) Section 170(b)(2) of such Code (relating to charitable deductions for corporations) is amended by striking out subparagraph (d).

(2) Section 172(d)(5) of such Code (relating to the net operating loss deduction) is amended by striking out "or under section 922 (relating to Western Hemisphere trade corporations)".

(3) Section 1503 of such Code (relating to consolidated returns) is amended by striking out subsection (b), and by deleting "(a) GENERAL RULE.—" from such section.

(4) Section 1562(b)(4) of such Code (relating to multiple surtax exemptions) is amended by—

(1) inserting "and" before "804(a)(3) (relating to deductions for partially tax-exempt utilities)" and

(2) striking out "and 922 (relating to special deduction for Western Hemisphere trade corporations)".

(c) The amendments made by this section apply to taxable years beginning after the date of enactment of this Act.

SEC. 703. TERMINATION OF SPECIAL TAX TREATMENT FOR DOMESTIC INTERNATIONAL SALES CORPORATIONS

(a) Section 991 of the Internal Revenue Code of 1954 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after the date of the enactment of the Trade Reform Act of 1974."

(b) Section 992(a) of such Code (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—Notwithstanding any other provision of this part, no corporation shall be treated as a DISC or former DISC for any taxable year beginning after the date of the enactment of the Trade Reform Act of 1974."

(b)(1) Section 1014(b) (relating to basis of property acquired from a decedent) is amended by striking out paragraphs (5) and (6).

(2) Paragraph (9) of section 1014(b) is amended by inserting the word "and" at the end of subparagraph (A), by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(c) The amendments made by this section shall be applicable only with respect to decedents dying after the date of the enactment of this Act.

SEC. 704. TERMINATION OF PREFERENTIAL TREATMENT OF DIVIDENDS OF LESS DEVELOPED COUNTRY CORPORATIONS

Section 902 (relating to credit for corporate stockholder in foreign corporations) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) TREATMENT OF TAXES PAID BY FOREIGN CORPORATION.—For purposes of this subpart, a domestic corporation which owns at least 10 percent of the voting stock of a foreign corporation from which it receives dividends in any taxable year shall be deemd to have paid the same proportion of any income, war profits, or excess profits taxes paid or deemed to be paid by such foreign corporation to any foreign country or to any possession of the United States on or with respect to accumulated profits, which the amount of such dividends (determined without regard to section 78) bears to the amount of such accumulated profits in excess of such income, war profits, and excess profits taxes (other than those deemed paid)."

(2) Subsection (b) (1) and (2) are amended to read as follows:

"(1) If the foreign corporation described in subsection (a) (hereinafter in this subsection referred to as the 'first foreign corporation') owns 10 percent or more of the voting stock of a second foreign corporation from which it receives dividends in any taxable year, it shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid or deemed to be paid by such second foreign corporation to any foreign country or to any possession of the United States on or with respect to the accumulated profits of the corporation from which such dividends were paid which the amount of such dividends bears to the amount of the accumulated profits of such second foreign corporation from which such dividends were paid in excess of such income, war profits, and excess profits taxes.

"(2) If such first foreign corporation owns 10 percent or more of the voting stock of a second foreign corporation which, in turn, owns 10 percent or more of the voting stock of a third foreign corporation from which the second foreign corporation receives dividends in any taxable year, the second foreign corporation shall be deemed to have paid the same proportion of any income, war

profits, or excess profits taxes paid by such third foreign corporation to any foreign country or to any possession of the United States on or with respect to the accumulated profits of the corporation from which such dividends were paid which the amount of such dividends bears to the amount of the accumulated profits of such third foreign corporation from which such dividends were paid in excess of such income, war profits, and excess profits taxes.".

(3) Subsection (c)(1) is amended to read as follows:

"(1) ACCUMULATED PROFITS DEFINED.—For purposes of this section, the term 'accumulated profits' means, with respect to any foreign corporation, the amount of its gains, profits, or income computed without reduction by the amount of the income, war profits, and excess profits taxes imposed on or with respect to such profits or income by any foreign country or any possession of the United States. The Secretary or his delegate shall have full power to determine from the accumulated profits of what year or years such dividends were paid, treating dividends paid in the first 60 days of any year as having been paid from the accumulated profits of the preceding year or years (unless to his satisfaction shown otherwise), and in other respects treating dividends as having been paid from the most recently accumulated gains, profits, or earnings.

(4) Subsection (d) is repealed.

(5) Subsection (e) is redesignated as subsection (d).

Mr. CHURCH. Mr. President, for the information of the manager of the bill, this is an amendment that would make certain changes in the Internal Revenue Code which presently constitute powerful inducements for large corporations to invest abroad rather than at home.

The entire theory of this bill is that the economic well-being of the United States, along with that of the rest of the world, will be enhanced if trade barriers are reduced and international commerce thus stimulated. But the theory of free trade, with which I happen to concur, rests upon the proposition that decisions respecting investment at home or investment abroad, respecting whether or not a given company will manufacture goods here in the United States for export abroad, or whether the corporation will choose instead to build its manufacturing plant in a foreign land and ship the manufactured product back to the United States—such critical decisions, if the theory of free trade is to work, assume that the governments involved will play neutral roles. Indeed, the whole theory falters when governmental policy tilts these decisions in one direction or another, which in fact our own policy does today.

The number of concessions given to American-owned multinational corporations in the way of tax havens, tax deferrals, and special tax advantages, if they invest abroad, is legion.

This amendment would attempt to eliminate from the Internal Revenue Code the most conspicuous, the best known, of these concessions which tilt our policy heavily in favor of the migration of American capital, which, of course, inevitably entails the export of American jobs.

I am informed that the distinguished chairman will raise a point of order as to the germaneness of this amendment, and I am advised that the decisions of the Chair is binding, once rule XXII has been invoked. Nevertheless, I contend very strongly that nothing could be more germane to the theory of this bill than correcting those tax policies which greatly weigh the scales in favor of the outward migration of American capital and against its investment in our own domestic economy.

Until the scales are brought back into balance, until our own Government returns to a neutral role, so that these decisions can be made on undistorted economic grounds, the theory which upholds this bill is seriously impaired; and, indeed, the operation of the bill cannot possibly provide the benefits that many of us would otherwise anticipate.

Mr. President, throughout my career, I have espoused the traditional view that free trade and investment are in and of themselves desirable objectives; that they promote a more efficient allocation of economic resources from which all nations benefit; more specifically, that the American consumer and worker benefit not only from the maximization of exports, but also by having made available to them imports which are cheaper than domestic goods and that such cheap imports constitute a downward pressure on prices and are thus an important part of a policy designed to combat inflation. I have also believed that the only justification for protectionist measures is where there are overriding reasons of national security. I continue to believe that, on balance, we should seek to achieve the objectives set forth in this legislation: negotiations aimed at further reduction of world tariffs, reduction—or at least a halt to further increases—in the many nontariff barriers to trade such as special taxes or quotas or safety standards, and new trading rules for the world in such areas as export controls and assured access to supplies of raw materials.

However, this bill only comes to grips with half of the problem of opening the flow of trade to free market forces: it proposes to remove nontariff barriers and other obstacles to free trade, but fails to address the issue of the tremendous incentives to transfer U.S. production abroad which have been built into our tax laws.

So long as those incentives for U.S. multinational corporations to invest abroad are retained, any international trade agreement to mutually reduce tariff and nontariff barriers negotiated under the authority of this act is likely to result only in an increased influx of foreign goods into our markets, without any corresponding increase in the exports of U.S. products. Provisions such as the deferral of income earned abroad, special tax breaks for Western Hemisphere trade and less developed country corporations, will continue to make direct investment abroad far more lucrative than production here at home for the purpose of exporting, even in the absence of import barriers in other countries.

While the incentives to which I refer are mainly tax provisions, figures released by the Tariff Commission give ample proof of the direct effect this pro-foreign investment bias has had on U.S. trade. Trade of multinational corporations has been growing at a more rapid rate than the average rate of growth of imports and exports. For example, U.S. merchandise exports shipped to majority-owned affiliates of U.S.-based MNC's increased from $7.8 billion in 1966 to $13 billion in 1970, an average annual gain of 13.5 percent. U.S. imports from such affiliates, although smaller than exports, increased even more rapidly—from $5.8 billion in 1966 to $10.9 billion in 1970, an average annual gain of 17.2 percent. Because such trade flows grew more rapidly from 1966 to 1970 than did aggregate U.S. exports and imports—9.4 percent and 11.8 percent, respectively—they accounted for an increasing proportion of aggregate U.S. trade.

As the Tariff Commission further notes:

Although the surplus generated by U.S. trade with majority-owned affiliates of U.S.-based MNC's increased slightly from 1966 to 1970, the more rapid growth in imports raises the possibility that in the future such imports could even exceed exports to these affiliates.

We must recognize that the multinational corporations are now central to the entire trading picture.

After 2 years of intensive investigation by the Senate Foreign Relations Subcommittee on Multinational Corporations of which I am chairman, I am of the opinion that the pursuit of the worthy objectives of this legislation should be coupled with a reconsideration of present Government policies which favor investment abroad rather than here at home. For this bill is premised upon the proposition that Government policy is essentially neutral and thus investment is channeled in accordance with natural efficiencies.

But the central conclusion to which I have arrived, as a consequence of our hearings, is that U.S. Government policy is not neutral. We have so tilted public policy in favor of overseas rather than domestic investment that I sometimes wonder why any multinational corporation, given a choice, invests in the United States at all. It is this imbalance which much be corrected but which this bill does not at all address. So I think the time has come to signal to the American people and the world at large that we are intent not upon reverting to a sterile policy of beggar thy neighbor protectionism, but upon correcting the imbalance of American policies that have promoted and stimulated overseas investment, at times, at the expense of domestic investment. This essentially modest goal of establishing a more neutral mix of policies with respect to incentives to invest at home or abroad must be a sine qua non of any trade bill.

Tax incentives for multinational corporations therefore cannot be separated from the issue of free trade which the bill now pending addresses. It is for this reason that I have proposed the following amendments to the Trade Reform Act of 1974 which would amend the Internal Revenue Code to eliminate those provisions of the code that relate to:

First. Tax deferral which permits the profits of foreign incorporated subsidiaries of U.S. corporations to enjoy a de-

ferment of U.S. tax until remitted as dividends, a provision which, in effect, virtually amounts to a permanent exemption from U.S. tax and which costs the U.S. Treasury an estimated $900 million annually which otherwise would be paid in U.S. taxes;

Second. The Western Hemisphere Trading Corporation which provides a 14-percentage point reduction in such corporations U.S. tax liability, representing an annual tax preference worth some $115 million;

Third. Less-developed country corporations which are permitted to retain a variety of dubious tax preferences which were eliminated for other corporations in the 1962 Revenue Act, preferences which account for another estimated $50 million. Moreover, I am also proposing in this amendment elimination of the Domestic International Sales Corporation, DISC, which is a form of subsidy to exports now made obsolete by floating exchange rates.

DEFERRAL

In a paper presented to the Joint Economic Committee in 1972, Prof. Peggy Musgrave concluded that:

The consequences of tax deferral are far reaching owing to the differentials between United States and foreign profits tax rates. Since profits earned by a foreign-incorporated subsidiary and held or reinvested abroad are subject only to the foreign rate of tax considerable tax advantage may be had by earning such income in relatively low tax jurisdictions. Thus, a U.S. corporation operating through a foreign-incorporated subsidiary in a country with, say, an effective tax rate of 30 percent has 70 cents out of every dollar for reinvestment purposes, whereas if the same investment had taken place in the United States only 52 cents of each dollar of profit would be available. So long as profits are kept abroad, and the foreign tax rate is below that in the United States, there is a tax incentive is to foreign investment through the deferral provision. Furthermore, the incentive is greater, the lower is the foreign rate, thus making for differential investment incentives among foreign countries.

As we learned in the course of our hearings, many developing countries grant incentives which insure that there is no effective rate of tax at all on the earnings of multinational corporations. This was the case with the Ford Motor Co. in Taiwan. Taiwan granted Ford a 5-year tax holiday to locate a Philco electronic facility in that country, along with accelerated depreciation, duty-free import of machinery, and exemption from export taxes. In Korea, our hearings showed that Motorolas' investment in that country was 100 percent tax free for 8 years.

In the course of our hearings, my distinguished colleague from Illinois, Senator PERCY, asked Mr. Stanford Ross, former Assistant Tax Legislative Counsel of the Treasury Department:

Could you explain to the Subcommittee how an American company with an investment in Brazil can set up a paper company in the Bahamas and not pay taxes in either the United States or Brazil? What can we do to stop this practice?

Mr. Ross answered that "the real solution is to eliminate tax deferral."

Tax deferral thus permits U.S. corporations to pay no U.S. income taxes on the profits of their foreign subsidiaries until those profits are brought back home—which may be never. The effect of this provision is that if a U.S. corporation uses its foreign profit for reinvestment abroad, the foreign profit is not subject to U.S. taxation.

In the domestic economy, of course, all investment in new plant and equipment is normally financed from after-tax corporate income. It is generally considered an extraordinary and temporary measure for us to provide a 7- or 10-percent tax credit for new investment, in effect offering a temporary Government subsidy, to stimulate a needed expansion of domestic capacity. The foreign operations of our multinationals, on the other hand, enjoy a permanent 100-percent U.S. tax writeoff for any new investment they can finance directly from their overseas profits.

As Professor Musgrave concluded:

Deferral clearly introduces a non-neutral incentive to invest abroad and is difficult to defend on both equity and efficiency grounds.

John Nolan, formerly Deputy Assistant Secretary of the Treasury for Tax policy, told the President's Commission on International Trade and Investment:

There is a clear-cut bias in our existing tax structure favoring the manufacturer of goods abroad through foreign subsidiaries as opposed to exporting, in order to benefit from the deferral of U.S. taxes.

In sum, tax deferral on foreign income offers tremendous advantages to U.S. corporations which invest abroad. It offers nothing to those which invest at home. It operates as an American subsidy to the overseas operations of U.S. companies.

LESS DEVELOPED COUNTRY AND WESTERN HEMISPHERE TRADE CORPORATION

In addition to the general problem of deferral this amendment eliminates the so-called Less Developed Country Holding Company and the Western Hemisphere Trade Corporation provisions of the Internal Revenue Code. Under section 922 of the code, certain U.S. corporations doing business in the Western Hemisphere are given a special deduction from taxable income. In effect, the provision amounts to a reduction of 14 percentage points in the U.S. corporation income tax rate. The apparent intent of the original—1942—legislation was to relieve U.S. investors in the Western Hemisphere from any competitive disadvantage resulting from the wartime U.S. corporate surtax. The annual revenue loss to the Treasury resulting from this provision is estimated to be $115 million.

World War II ended 29 years ago. It is time we ended this anachronism.

The Lesser Developed County Holding Company provision was created to soften the impact of the 1962 Revenue Act crack down on "tax haven" operations. Income earned in tax haven countries such as Panama, the Bahamas, Bermuda, Liberia, and the Netherlands Antilles was, after the reform legislation, treated as taxable in the year in which it was earned—that is to say not subject to the deferral rules. However, income earned in lesser developed countries was exempted from this rule and Panama and Liberia were denominated lesser developed countries. Further, the general rule that a profit on the sale of stock of foreign subsidiaries is treated as ordinary income does not apply to those holding companies. This enables ship owners wishing to repatriate their Liberian and Panamanian profits to receive capital gains treatment when the taxes are finally paid. They do this by reinvesting the earnings abroad and then selling the stock for a capital gain.

Corporations not interested in shipping have also taken advantage of the LDC Holding Company to avoid the "grossing up" for foreign source income. The gross up requirement was enacted to prevent corporations from claiming the foreign tax credit and taking a deduction for foreign taxes paid. When dividends are "grossed up" the foreign taxes paid must be added back to the total amount of income if a tax credit has been taken. LDC holding companies do not face this "gross up" requirement.

DISC

Finally, this amendment would eliminate the Domestic International Sales Corporation provision of the code. The DISC as it is called—is allowed to defer taxes on export earnings. The stated purpose of the DISC is clearly counter to the free trade thrust of the pending legislation. Since the devaluation of the dollar and the arrival of floating exchange rates, the rationale for the amendment is vitiated because floating exchange rates insure that American exports "stay competitive."

This year, U.S. taxpayers can expect the DISC to cost them $750,000,000 in lost tax revenue. The prime beneficiaries are the 100 largest corporations all of whom are in the export business and would stay in it with or without DISC.

And there are other objections—the DISC encourages and subsidizes the export of scarce commodities, it encourages sham transactions which permit domestic income to be shifted abroad, and it encourages U.S. companies to use the DISC money for foreign plants.

Mr. President, at the outset, I said I was for free trade and tax neutrality. In this amendment, therefore, I have sought to reach only the most egregious tax preferences for overseas investment for which I can see no continued justification at all. The amendment, is, consequently, modest in scope, significant in achieving estimated revenue savings in excess of $1 billion per annum, and, above all, evidences a congressional intent to finally come to grips with the imbalance in U.S. policy which favors overseas investment to the detriment of our own economy. I, therefore, urge its merit not as a panacea but merely a beginning in what I hope will be a continued and systematic Senate inventory and appraisal of international economic policies designed in past decades for past circumstances but which have little or no relevance to our present condition.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. PASTORE. Mr. President, much of the argument that has been raised by our distinguished colleague was raised by the Senator from Indiana. I must say that I agree with him wholeheartedly.

I hope that, at the proper time, under the proper circumstances, this entire matter will be pursued, possibly the minute we return in January. This is an important subject. I realize that it is not germane to this bill. After all, the trade bill is absolutely important, and we have been trying very hard to consummate it before we leave next week, and all of us should realize that.

I assure the Senator from Idaho that he is going to find the Senator from Rhode Island shoulder to shoulder with him in the pursuit of this matter.

Mr. CHURCH. Mr. President, I appreciate the statement. I cannot imagine having a more effective ally.

Mr. LONG. Mr. President, we will legislate in this area in the next Congress, and I hope we will legislate in this area early in the next Congress. There may even be a chance to do something in this area, in a less controversial way, before the conclusion of this Congress.

With respect to the precedents regarding cloture and unanimous consent requests, it is very clear that when Senators vote cloture upon themselves, there is an understanding implicit within that that they will vote on what is in the bill and only with regard to that which is germane to it in a very narrow sense.

For example, precedents support the position that if we had a provision in a tax bill that would reduce the depletion allowance on oil from 22 to 20 percent, and one wanted to add the word "coal" alongside "oil," even though those two words are side by side in the same section of the Internal Revenue Code, the Senator seeking to amend it would not be in order. He would be told that the bill would amend the depletion allowance on oil and it has nothing about coal, so he could not offer it.

That is so because when Senators vote for a cloture motion, they are entitled to know exactly what they are going to vote on, with as much precision as they can reasonably be anticipated to have. The narrow germaneness rule that exists has a tremendous number of precedents.

I have never witnessed an occasion when cloture has been imposed in the Senate that the Senate has declined to follow the advice of its Parliamentarian. I sought his advice, and he told me that this amendment would not be germane. I advised the Senate of the amendments I thought would not be germane, before we voted on cloture, so that Senators would know what to vote on. I advised them that these amendments were not germane.

I sympathize with what the Senator is trying to do. I applaud the statement by the Senator from Rhode Island (Mr. PASTORE). This proposal will be considered in the next Congress, and hopefully early in the next Congress, but it should not be on this bill.

I make the point of order that the amendment is not germane.

Mr. CHURCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHURCH. Am I correctly informed that the ruling of the Chair is not debatable and not appealable under rule XXII?

The PRESIDING OFFICER (Mr. METZENBAUM). The Chair, for his own edification, can entertain debate, but under the circumstances the Chair does not feel it necessary to have edification. The Chair is advised by the Parliamentarian that the amendment is not germane; therefore, the Chair sustains the point of order.

AMENDMENT NO. 2066

Mr. TAFT. Mr. President, I call up my amendment No. 2066, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TAFT. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT's amendment (No. 2066) is as follows:

On page 61, line 8, after the word "agriculture," insert the following: "small business,".

On page 62, line 5, after "interests", insert the following: "(including small business interests)".

On page 62, line 16, after "interests", insert the following: "(including small business interests)".

On page 69, line 1, after "agriculture," insert the following: "small business,".

Mr. TAFT. Mr. President, this amendment would state specifically that small business interests should be represented adequately on the Trade Negotiation Advisory Committees. The Finance Committee's report asks on page 102 that "special consideration be given to consultation with those representing the interests of small business." I applaud the committee on that statement, howver, particularly in view of complaints I have received that the advisory committees set up thus far do not include sufficient small business representation, I believe that there should be specific statutory language to this effect, and that is the purpose of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 2066) of the Senator from Ohio.

The amendment was agreed to.

AMENDMENT NO. 2067

Mr. TAFT. Mr. President, I call up my amendment No. 2067, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. Taft) proposes an amendment numbered 2067.

Mr. TAFT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT's amendment (No. 2067) is as follows:

On page 98, at the end of line 23, insert the following:

"Such report shall also include a list of import relief measures in effect which have been provided pursuant to section 203 of this Act or section 351 or 352 of the Trade Expansion Act of 1962 and the estimated effect of each such measure on consumers including its estimated cost to consumers, taking into account the price and availability of the imported article and the like or directly competitive article produced in the United States)."

Mr. TAFT. Mr. President, this amendment is on file at the desk, and was, of course, before the request under rule XXII. I have had a request, however, from other Senators, I believe concurred in by the committee, to make a brief amendment to it, and I ask unanimous consent that my amendment may be amended as per the modification I now send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The legislative clerk read as follows:

In the fourth line of the amendment, after the word "on", insert "employment in the United States and on".

Mr. TAFT. Mr. President, has the Chair ruled on the unanimous-consent request?

The PRESIDING OFFICER. Is there objection to the amendment to the amendment? Without objection, the amendment will be so amended.

Mr. TAFT's amendment (No. 2067) as modified, is as follows:

On page 98, at the end of line 23, insert the following:

"Such report shall also include a list of import relief measures in effect which have been provided pursuant to section 203 of this Act or section 351 or 352 of the Trade Expansion Act of 1962 and the estimated effect of each such measure on employment in the United States and on consumers (including its estimated cost to consumers, taking into account the price and availability of the imported article and the like or directly competitive article produced in the United States)."

Mr. TAFT. Mr. President, amendment No. 2067 requires that the President's annual report on the trade agreements program include a list of the import relief measures such as tariffs and quotas which are presently in effect, and an estimate of the effects of each measure on American consumers and as modified, American employment. In particular, consumers, workers, and Government officials should know who is benefiting from import relief at the expense of higher U.S. prices and by how much, as well as the relief's employment effect. Present U.S. import barriers are already estimated to cost American consumers about $10 billion annually in higher prices. We should know what each barrier costs and what it is doing for American jobs.

Provision of this information regularly should not result in a denial of needed import relief, but it should foster closer monitoring of the import relief program.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PASTORE. Mr. President, I think this is a very good amendment. The reason for it is very simple. The President of the United States has said many times that he needs this trade measure in order to meet the unemployment crisis in the United States of America. I think at some points we ought to have the figure, and that is what this amendment would require; is that correct?

Mr. TAFT. The Senator is correct.

Mr. PASTORE. Let us find out the truth of the matter. I think this is a good amendment.

Mr. TAFT. I thank the Senator for his comments.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 2067) of the Senator from Ohio, as amended.

The amendment, as amended, was agreed to.

AMENDMENT NO. 2070

Mr. TAFT. Mr. President, I call up my amendment No. 2070, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. TAFT) proposes an amendment No. 2070.

Mr. TAFT's amendment (No. 2070) is as follows:

On page 270, line 8, strike "and".

On page 270, line 15, strike the period and insert in lieu thereof the following: "; and".

On page 270, between lines 15 and 16, insert the following new paragraph:

"(7) if such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of United States citizens or a corporation, partnership or assoication which is 50 percent or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute."

The PRESIDING OFFICER. Who yields time?

Mr. TAFT. I yield myself 1 minute.

Mr. President, this amendment would deny any country a tariff preference on goods it is sending to the United States if it fails to act in good faith to recognize as binding international arbitral awards rendered in favor of U.S. citizens or corporations. Its language is patterned after that of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

I am extremely concerned over the apparent refusal by the Indian Government to honor its contracts and to accept arbitral awards rendered in favor of Americans. I feel that this amendment would definitely apply to India. I am informed it may also apply to Jamaica and Guyana.

Despite its solemn agreements to refer disputes to arbitration, and its contracts to abide by decisions of arbitrators, the Indian Government has refused to honor awards made in favor of American parties, even in cases where the awards were rendered by highly qualified arbitrators of international standing. Instead, where such awards have been against it, the Indian Government has thrown them to its own courts for redetermination of the issues on the merits, thus defeating one of the fundamental purposes of arbitration—determination by an impartial tribunal.

Moreover, the Indian courts have been notoriously prejudiced against American parties. For example, in 1962 the Indian supreme court denied the stay of an Indian court action in spite of an agreement by the Indian party that it would arbitrate in New York. This case received adverse comment abroad and cast grave doubt on the enforceability of arbitration agreements and awards in India, at least where American parties were concerned. These doubts were confirmed 2 years later when the Bombay high court refused to recognize an arbitral award in favor of an American party and instead gave judgment to the Indian party.

This situation has not been improved by the accession of the United States to the U.N. Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 1971. India is a contracting party to the convention and has accepted the benefits of the convention. However, India has circumvented application of the convention by requiring that the venue of all arbitrations to which it is a party be in India and then throwing any adverse award to its courts, which either reverse the decision on the merits, which is not permitted by the convention, or refuse to act with the result that the award never becomes final.

There has recently come to my attention a case involving an American contractor and the fertilizer corporation of India, an instrumentality of the Indian Government. A dispute arose over a contract calling for the construction of a chemical plant in India by the American company. The funds to build the plant were provided India by the Agency for International Development. After nearly 4 years of arbitration before a distinguished and highly qualified international tribunal, the U.S. company defeated claims made by the Indian Government and was given an award for the balance of the contract price which the Indian Government had previously refused to pay. Despite its expressed undertaking in the contract that any arbitration award would be final and binding, the Indian Government has now thrown the award to its own courts for redetermination on the merits.

I understand that the same parties have another arbitration pending under a contract for a second plant built with funds supplied to India by AID. Because of the Indian Government's policy that all agreements must provide for arbitration in India, the American contractor has been, and is now being, forced to spend hundreds of thousands of dollars traveling to India with lawyers and witnesses to present its cases to the arbitrators, all apparently with no practical chance of winning, since it seems apparent that the Indian Government will refuse to accept any award against it, but rather will have the award impeached by its own courts.

On the other hand, should the arbitrators make an award in favor of the Indian Government in the second case, there is little doubt that the Indians could successfully enforce the award against the American party in the United States. As I have mentioned, this country is a party to the U.N. Convention for the Enforcement of Foreign Arbitral Awards and American courts have consistently recognized our Nation's obligation under the convention by rigorously enforcing foreign arbitration agreements and awards against U.S. citizens.

It is also my understanding that a number of other countries and organizations have been having serious difficulty as a result of being involved in arbitration proceedings in India which they have won only to find that the arbitration awards have been referred to the Indian courts where no further progress in favor of the foreign party is possible.

I believe it is contrary to sound U.S. policy to give India or any other developing nation the favored treatment contemplated by the present legislation in the face of unwillingness to abide by solemn agreements to recognize as final and binding arbitration awards rendered in disputes between it and American parties.

On pages 268 and 269 of this legislation, preferential tariff treatment is already denied to any country which "has taken steps to repudiate or nullify an existing contract or agreement with a U.S. citizen or a corporation, partnership, or association which is 50 percent or more beneficially owned by U.S. citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property so owned." This provision expands on and clarifies that principle. It is intended to apply to countries which actually submit to arbitration, then refuse to enforce arbitral awards against themselves and in favor of U.S. citizens or corporations.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 2070) of the Senator from Ohio (Mr. TAFT).

The amendment was agreed to.

Mr. TAFT. Mr. President, I yield the floor.

Mr. HARTKE. Mr. President, I do not intend to offer my amendments, but I think it is important that I at least refer to four amendments which I had intended to offer to this bill, which were precluded from being offered simply by the cloture motion.

The first would oppose the big tax loophole for multinational corporations involving tax credits. I ask unanimous consent that my statement concerning that amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. HARTKE

CLOSING TAX LOOPHOLE OF MULTINATIONAL CORPORATIONS—TAX DEFERRAL

Our tax laws make an overseas investment by a U.S. corporation more profitable than one in the United States. A tax provision which contributes substantially to this situation is tax deferral.

Tax deferral permits U.S. corporations to pay no U.S. income taxes on the profits of their foreign subsidiaries until those profits

are brought back home—which may be never. The effect of this provision is that if a U.S. corporation uses its foreign profit for reinvestment abroad, the foreign profit is not subject to U.S. taxation.

In the domestic economy, of course, all investment in new plant and equipment is normally financed from after-tax corporate income. It is generally considered an extraordinary and temporary measure for us to provide a seven or ten percent tax credit for new investment in effect offering a temporary government subsidy to stimulate a needed expansion of capacity. The foreign operations of "our" multinationals, on the other hand, enjoy a permanent one-hundred percent U.S. tax write-off for any new investment they can finance directly from their overseas profits.

This is an extremely valuable tax advantage as a simple hypothetical example can show. Let's assume there are two corporations, A and B. corporation A is located in the United States. Corporation B is located abroad where there is no income tax. Let's follow these two corporations through eight years of operations to see what effects U.S. tax deferral has on their profits.

In the first year, corporation A earns one dollar of profits. Because it is located in the United States it must pay corporate income taxes at the rate of forty-eight percent on that dollar. This leaves fifty-two cents for reinvestment. Let's say the corporation reinvests the entire fifty-two cents and can earn a ten percent rate of return on its investment. After eight years, corporation A's investment will be worth $1.11. The profit on this investment is fifty-nine cents on which twenty-eight cents of U.S. corporate income tax will be due. The net result of these transactions is a total net profit after taxes of eighty-three cents for corporation A.

Now let us look at corporation B undergoing similar transactions, but operating abroad. Corporation B also earns one dollar of profit in the first year. But, because corportation B owes no income taxes on that income it is able to reinvest the entire amount. In effect, the U.S. Government is making an interest free loan to corporation B for the duration of its investment. Of course, it is really the American taxpayers who foot the bill for this generosity.

After eight years at a ten percent rate of return, corporation B's investment will be worth $2.14. If corporation B now decides to return this profit to the United States, it will finally be subject to U.S. corporate income taxes. Of course, corporation B can reinvest this profit also and delay the tax still further if it wishes. But, assuming it brings the profits back home, the U.S. corporate income due will be $1.03. This leaves corporation B with a net profit after taxes of $1.11.

Mr. President, this is thirty-four percent higher than the profit Corporation A was able to earn on a similar investment operating in the United States. And, the only reason for this difference is that Corporation B could defer its United States tax liability.

Some will argue that this example is unrealistic because Corporation B pays no foreign income tax on its profits. Mr. President, there are many schemes and devices by which our corporations operating abroad can escape all or substantially all foreign taxes on its income. Foreign nations offer special tax inducements to corporations to entice them to locate in their country. In addition, the multinational corporations are extremely clever at channeling their income through low tax countries to minimize their tax payments.

Elaborate schemes for avoiding virtually all taxation on overseas income are occasionally discovered and brought to public attention by the press. The most recent example is an article in the Washington Post on November 30, 1974. The article exposes a scheme whereby the operators of 235 American-owned ships escape taxation on their income altogether by flying the Liberian flag. By owning their ships through Liberian subsidiaries, several U.S. corporations avoid paying any taxes on their shipping income. Liberia does not tax this income—it imposes only a minimal tonnage tax each year. The article quotes Mr. Herb Brand, president of the Transportation Institute, as saying the profits made by these shipping subsidiaries are tax exempt as long as they are reinvested abroad and not returned to American stockholders or to the parent corporation. As I have just explained in the example, this fact has tremendous advantages in the overall profitability of these overseas operations.

Mr. President, I ask unanimous consent that this article from the November 30 Washington Post entitled "D.C. Bank Operates Liberian Maritime Haven for Shippers" be included in the record at this point.

Mr. President, despite the ability of the multinational corporations to escape foreign taxation on their earnings, this is not a necessary condition for benefiting from the deferral of U.S. tax liability. All that is necessary is that the corporations' foreign earnings be subject to a lower tax rate than the U.S. corporate income tax rate of forty-eight percent. So long as this is true, there will be an interest free loan each year from the U.S. treasury to U.S. corporations operating abroad. For example, in the hypothetical example I used as an illustration a few moments ago, if corporation B, the company operating abroad, were subject to a thirty percent foreign tax rate on its income, its profits from the eight year operations I described would still be thirteen percent higher than the company doing business at home. Higher profits merely because of a U.S. tax advantage of doing business in other countries.

It is not difficult for a U.S. corporation to find a country for investment abroad which taxes its inocme at a rate lower than the U.S. corporate income tax. In 1968, the last year for which I have complete data, the average effective U.S. corporate income tax rate in the United States was 41.6 percent. On the other hand, the average effective foreign income tax rate on profits of foreign corporations owned fifty percent or more by U.S. corporations was thirty-seven percent. There are several countries where the average effective tax rate is below thirty-five percent.

Mr. President, I ask unanimous consent that a table I have showing average effective corporate income tax rates in the United States and abroad be entered in the record at this point as table 1.

TABLE 1.—COMPARISON OF AVERAGE CORPORATE INCOME TAX RATES IN 1968: ALL CORPORATIONS WITH INCOME SUBJECT TO TAX IN THE UNITED STATES AND U.S. CONTROLLED FOREIGN CORPORATIONS WITH POSITIVE EARNINGS AND PROFITS IN SELECTED FOREIGN COUNTRIES

[Dollar amounts in millions]

	(1) Income subject to tax	(2) Federal income tax	(3) Average tax rate (2) ÷ (3) (percent)
U.S. corporations with income subject to tax (excluding 1120-S)	$81,405.4	[1] 33,871.5	41.6
	Earnings and profits before tax	Foreign income tax	Average tax rate (percent)
Foreign corporations with positive earnings and profits, owned 50 percent or more by U.S. corporations, total	8,919.5	3,298.7	37.0
Canada	2,479.5	1,108.5	44.7
Belgium	141.4	48.2	34.1
France	373.4	170.1	45.6
Germany	990.2	410.1	41.4

	(1) Income subject to tax	(2) Federal income tax	(3) Average tax rate (2) ÷ (3) (percent)
	Earnings and profits before tax	Foreign income tax	Average tax rate (percent)
Italy	236.8	98.4	41.6
Netherlands	175.2	57.4	32.8
Sweden	64.2	26.7	41.6
Switzerland	290.2	48.7	16.8
The United Kingdom	1,189.6	460.6	38.7
Mexico	232.8	94.3	40.5
Argentina	148.5	34.2	23.0
Brazil	221.7	61.1	27.6
Venezuela	142.5	40.0	28.1
Japan	143.0	59.0	41.3
Philippines	81.1	24.0	29.6
Australia	362.5	145.6	40.2

[1] Excludes 10 percent surcharge.

Note: The Federal income tax figure represents tax liability on all income—domestic and foreign—subject to the U.S. tax after investment credit but before foreign tax credit. The figures on the foreign income taxes represent the income taxes paid by U.S. controlled foreign corporations to foreign governments only and do not include withholding taxes paid to foreign governments on dividends repatriated and additional taxes that may be paid to the Federal Government on earnings repatriated by these corporations.

Source: Tabulation by IRS of tax forms 2952, not yet published. U.S. data from "Statistics on Income 1968, Corporation Tax Returns."

Mr. President, after reviewing this and other evidence in her paper submitted to the Joint Economic Committee in 1972, Professor Peggy Musgrave of Northeastern University concluded:

"Turning now to tax deferral, the provision permits the profits of foreign incorporated subsidiaries of U.S. corporations to enjoy a deferment of U.S. tax until remitted as dividends. Since most earnings retained abroad are reinvested in fixed assets this virtually amounts to a permanent exemption from U.S. tax. It is estimated that in 1970 such subsidies paid nine hundred million dollars less in foreign profits taxes than they would have paid under U.S. tax rates. Deferral clearly introduces a non-neutral incentive to invest abroad and is difficult to defend on both equity and efficiency grounds."

So there you have it. The tax deferral provision, according to Professor Musgrave, is an incentive to invest abroad rather than here at home. So, in reality, the American taxpayer pays twice for this corporate subsidy. Once in higher tax payments to make up for the taxes not paid by the corporations on their foreign earnings. And the American taxpayer pays a second time in an even more painful and permanent way, through watching their jobs and technology be exported to other lands.

Mr. President, the cost of this tax subsidy in terms of American jobs, American capital and American technology exported to foreign lands is incalculable. The cost to the American taxpayer in terms of sacrificed tax revenue can be estimated, but the estimates are the subject of some controversy. Like many estimates, the answer depends on the assumptions made in the calculations. The estimate of additional revenue generated by the elimination of tax deferral by the staff of the Joint Committee on Internal Revenue taxation is four hundred millions dollars per year. Professor Musgrave in her testimony in 1972, indicated she thought the cost of tax deferral, under a more plausible set of assumptions, was closer to the nine hundred million dollar figure I cited earlier, and presumably would be even higher today.

In conclusion, tax deferral on foreign income offers tremendous advantages to U.S. corporations which invest abroad. It offers nothing to those which invest at home. It operates as an American subsidy to the overseas operations of U.S. companies. Through this device, we are, in effect, paying U.S. companies to invest abroad, to create jobs abroad, instead of at home.

Mr. President, I have said many times that I believe in free trade. I am not a perfectionist. But I believe in free trade on an equal basis. If an American company is considering making an investment, the decision to invest here or abroad should not be affected by the U.S. tax code or legal structure. But it is absurd when our tax system actually makes it more profitable to do the investing abroad than at home.

I think it is time we ended this absurdity by ending the deferral of U.S. tax liability on foreign earnings.

DISTRICT OF COLUMBIA BANK OPERATES LIBERIAN MARITIME HAVEN FOR SHIPPERS

(By Martha Hamilton)

A Washington-based financial corporation has for the past 18 years been acting as the governmental maritime administration for the western African nation of Liberia, running a system that saves American ships flying the Liberian flag millions of dollars a year in U.S. tax payments.

The U.S. Maritime Administration describes such ships as flying "flags of convenience." American flagship owners and the martime unions call them "runaways" that cost this nation lost dollars in income and taxes.

Fred T. Lininger, senior vice president of the International Bank, which runs the maritime operation, maintains that foreign-flag shipping results in lower costs to consumers through reduced shipping charges. Lininger is also the senior deputy commissioner of maritime affairs for Liberia.

International Bank, headquartered in the First National Bank of Washington building at 1701 Pennsylvania Ave. NW, acquired the International Trust Co. of Liberia in 1956, and operates it under a contract running until 1979. The contract may be extended.

Under the Liberian act creating the International Trust Co., the citizens of Liberia or its government will have an option to buy all capital stock in the corporation in the year 2028, 80 years after its founding.

Liberia, which has only a man-made port, Monrovia, built with U.S. funds at the end of World War II, set up its ship registration system in 1948, the year the International Trust Co. was founded to run it.

Since that time, according to American flag shippers and maritime unions, the major beneficiaries of the registration system have been American bulk shippers and oil, aluminum and steel companies. According to Herb Brand, president of the Transportation Institute, a research and promotion group for American flag shippers, 180 U.S.-owned tankers, 15 oil or ore carrying ships, 35 ore carriers and five other U.S.-owned vessels are registered in Liberia.

The vessels are generally owned by Liberian subsidiaries of American companies. As a result, according to Brand, profits made by the subsidiaries are tax exempt as long as they are re-invested abroad and not returned to American stockholders or the parent company.

Shipping companies operating in the U.S. are subject to a minimum corporate income tax of 48 per cent, said Brand. In contrast, he said, the Liberian government requires an initial registration fee of $1.20 per net registered ton plus an annual fee of 10 cents per ton, he said.

In addition, said Brand, the shippers do not have to comply with stringent U.S. Coast Guard safety requirements or pay wages required for American seamen. Foreign flag shipping means lost jobs for the U.S., lost taxes on that income. lost corporate taxes and injuries the balance of payments, he said.

"I think the trouble with the oil companies and the other people who registered under foreign flags is that they have no loyalty," said Brand. "We can't have dollar patriotism. I think the time is now to review the whole multinational picture," he said.

International Bank's management of the maritime administration and enforcement of the maritime code is "geared as a service to Liberia," said Lininger. "But there are definite collateral benefits to the U.S. as well," he said.

"So much of American flag shipping is subsidized at the expense of the American taxpayer," he said. A 1970 program poured money into the shipbuilding industry through construction grants to shipyards. The government also subsidizes operating costs and requires certain government-financed shipments to be carried in American vessels.

Foreign-flag shipping "helps to keep down total costs," said Lininger. "If American business is going to involve itself in international business, it is going to have to compete in the international arena, not just in the American market," he said.

The U.S. corporation-run system is "the largest source of income for the government of Liberia," International Bank chairman and president George Olmstead said. Liberia, a country of 1.65 million people, has the world's largest merchant marine fleet.

"It pays a high per cent of the government's budget and extracts not any labor," Olmsted said. The maritime administration is run by about 100 persons working for International Trust Co., he said. About 80 per cent are Liberians the company has recruited and trained, he said. The Maritime Commissioner is Liberian.

"It's of obvious advantage to shipowners around the world," Olmsted said. "It saves a lot in taxes . . . and the shipowner has an honest administration and a stable economy under which to operate," he said.

He called Liberian maritime law, developed under the auspices of former U.S. Secretary of State Edward R. Stettinius Jr., "fair and workable." Liberian safety standards and wage requirements are second only to those of the U.S., he said.

"They shouldn't be permitted to do it," Talmage Simpkins, executive director of the AFL-CIO's maritime committee, said of the shippers who fly the Liberian flag. "They go out and avoid U.S. taxes and pay slave wages," he said, calling the merchant marine of Liberia "a figment of some lawyer's imagination."

The maritime operations account for a substantial portion of the income of the International Trust Co., which earned $1.634 million in 1973, according to documents on file at the Securities and Exchange Commission.

Another International Bank subsidiary, Financial General Bankshares, Inc., is the majority owner of First National Bank of Washington, the Union Trust Co. of D.C., the Alexandria National Bank of Northern Virginia, Clarendon Bank and Trust and Arlington Trust Co., SEC records show.

The corporations' activities also include insurance, investments and manufacturing.

Mr. HARTKE. The second amendment would have been designed to close the big tax loophole on foreign oil depletion. I ask unanimous consent that my statement on that amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. HARTKE

CLOSING TAX LOOPHOLE OF MULTINATIONAL CORPORATIONS FOREIGN OIL DEPLETION

The percentage depletion allowance and the deduction for intangible drilling expenses are two more tax provisions used by the multinational oil companies to reduce their United States taxes on foreign income. As I explained in my statement on the tax credit amendment, this provision works hand in glove with the foreign tax credit to enable the multinational oil companies to earn tremendous profits and, at the same time, pay miniscule U.S. taxes.

Some of the statements I made in regard to foreign tax credit are also pertinent to a discussion of the percentage depletion allowance, so I should like to review them briefly.

In 1970, the multinational oil companies earned $1.085 billion on mining and oil operations abroad, but because of the tax loopholes these companies paid no U.S. tax on the income.

The Arabian-American Oil Company (Aramco), the huge oil-producing consortium consisting of Exxon, Texaco, Mobil, Standard Oil of California and the Saudi Arabian Government had profits of $3.25 billion and paid no U.S. income taxes in 1973.

The study entitled "analysis of tax data of seven major oil companies" which my colleague from the State of Washington (Senator Jackson) reviewed on the floor of the Senate on December 2, revealed that: for

each of the years 1968 through 1972 the seven companies reviewed in the study had an effective U.S. tax rate—that is the percentage of the net income actually paid in Federal income taxes—of five percent or less. However, for the same five years, these companies paid foreign taxes at an effective tax rate of between twenty percent and twenty-nine percent.

The study also shows clearly that the multinational oil companies pay far lower U.S. taxes than other corporations or than individual taxpayers. The average effective tax rate on all returns filed by individuals is fifteen percent of adjusted gross income. The average effective tax rate for one-hundred of our largest corporations is twenty-nine percent. And yet, the large multinational oil companies pay approximately five percent of their net income in U.S. taxes.

Senator Jackson in his remarks, concluded from this evidence that "the major oil corporations are not paying their fair share of taxes to the United States."

Mr. President, I wholeheartedly agree!

The study which Senator Jackson summarized on the floor analyzed the impact of the depletion allowance on the taxes paid by the multinational oil firms. The study says: "The percentage depletion deduction was clearly the most important of the provisions peculiar to the extractive industries in reducing the effective tax rate, accounting in the aggregate for about thirteen percentage points in 1972, reducing the aggregate effective tax rate to 9.84 percent, and reducing the seven companies' tax bills by approximately nine-hundred-ninety million dollars."

The report also reveals that the deduction for intangible drilling expenses further reduced the effective tax rate to 8.88 percent, saving the seven companies approximately seventy million dollars.

The percentage depletion allowance works in tandem with the foreign tax credit to reduce the U.S. tax on foreign oil income of the multinational oil companies. I would repeat the words of Senator Jackson, speaking before this body on December 2, when he said: "Remove percentage depletion on foreign production but retain the foreign tax credit and there would be very little revenue gain. Remove the foreign tax credit and retain the percentage depletion on foreign production and, again, little change in the overall taxes due in this country would result. Only if both percentage depletion and the ability to credit foreign taxes were removed would there be a large increase in taxes accruing to the benefit of the United States. . . . Special deductions available to oil companies have practically wiped out their tax liability domestically. There is an interrelationship between various deductions and credits benefiting the oil companies—specifically between percentage depletion and the foreign tax credit—and only an overall revision of tax benefits presently available will result in a substantially increased United States tax liability."

This point was also made by Professor Glenn Jenkins, of Harvard University; as he spoke before the subcommittee on multinational corporations. Professor Jenkins remarked: "In the event that these production taxes for crude oil were eliminated as a basis for generating foreign tax credits, then the percentage depletion allowance would be effective in decreasing by about fifty percent the United States taxable income reported in the producing areas. As large amounts of profits from downstream activities, such as refining, are recorded as profits in producing countries, the depletion allowance would also serve to eliminate a large part of these earnings from United States taxable income. Thus, if a reduction in creditable foreign taxes is to be effective, the percentage depletion allowance must be eliminated."

Estimates I have received from the staff of the Joint Committee on Internal Revenue Taxation indicate eliminating the percentage depletion allowance and the deduction for intangible drilling expenses for foreign production, coupled with the amendment to change the foreign tax credit to a deduction on foreign oil income, would increase U.S. tax revenue approximately one billion dollars.

On the other hand, eliminating the depletion allowance on foreign produced oil and gas without the elimination of the foreign tax credit provision would have a relatively minimal revenue impact. It would increase U.S. tax revenue by approximately forty million dollars. The primary advantage of taking this action individually would be that it would constitute a necessary first step toward greater tax fairness in regard to the multinational oil companies.

In conclusion, the percentage depletion allowance on foreign production of oil and gas allows the multinational oil companies to earn tremendous profits while at the same time paying very low U.S. taxes. Most U.S. taxpayers are suffering from hard economic times—suffering from severe recession and severe inflation simultaneously. Severe recession and severe inflation caused partially by the oil producing countries and the oil producing multinational companies. Yet, the United States follows policies which allow these companies to earn inflated profits while paying deflated taxes. We make it possible for these companies to pay gigantic amounts to the oil producing countries and virtually nothing to the United States. We follow policies which, in effect, subsidize investment abroad by U.S. companies. We make it more profitable to invest abroad—and export American capital, American technology, and American jobs—than to invest here at home.

Mr. President, I think it is time we ended these policies by adopting this amendment which would terminate the percentage depletion allowance and the deduction for intangible drilling expenses on foreign produced oil and gas.

Mr. HARTKE. The third amendment would have dealt with closing the tax loophole of multinational corporations on tax deferral. I ask unanimous consent that my statement on that amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. HARTKE

CLOSING TAX LOOPHOLE OF MULTINATIONAL CORPORATIONS—TAX CREDITS

Our tax laws make an overseas investment more attractive than one in Indiana. For example, profits earned by a foreign subsidiary of an American firm are not taxed until they are repatriated. To the extent that the firm does pay taxes to a foreign government, these taxes count as a dollar-for-dollar credit against any Federal tax liability. Profits made in Indiana are taxed when earned. And taxes paid to the State of Indiana can only be taken as a deduction against gross income rather than as a Federal tax credit.

The result of these tax provisions is to make investment abroad more profitable than investment at home. We are, in effect, paying our corporations to leave.

John Nolan, formerly Deputy Assistant Secretary of the Treasury for tax policy, told the President's Commission on International Trade and Investment: "There is a clear-cut bias in our existing tax structure favoring the manufacture of goods abroad through foreign subsidiaries as opposed to exporting, in order to benefit from the deferral of U.S. taxes . . . the distortion in our tax system simply makes no sense at a time when the United States has substantial balance of payments deficits."

The result of the present tax provisions is that the American people and the U.S. Treasury pay the bill for economic losses to the U.S. economy due to the expansion of multinational corporations abroad. Because of these tax provisions, American taxpayers will continue to help subsidize the treasuries of foreign countries and the expansion of U.S.-based firms abroad.

These tax provisions allow U.S. corporations operating abroad to pay extremely low U.S. taxes on their foreign income. In 1970, the most recent year for which data are currently available, the total foreign-source income of American corporations amounted to $17.5 billion. Of this $17.5 billion, the U.S. Treasury collected only $900 million in taxes—an effective tax rate of 5.1 percent. Estimates I have received from the Joint Internal Revenue Taxation Committee staff indicate that total foreign source income of all U.S. corporations in 1974 will be more than three times as high, $53.6 billion. Yet U.S. taxes paid on this income grew less than twofold, to $1.7 billion. This represents an effective tax rate of 3.1 percent.

These discrepancies in tax rates have established a legal framework within which it is more profitable to operate overseas than in the United States. The tax law of the United States effectively offers positive dollar incentives (and what could be a more powerful stimulus to corporate managers?) for relocating the sources of corporate income outside the United States.

The tax provisions which are the most offensive in this regard are the foreign tax credit, especially as it applies to oil and gas income, the percentage depletion allowance on foreign mineral production, and the allowance of tax deferrals on foreign income.

One of the main reasons that the United States is now dependent upon the Arab world for our supplies of oil and gas is the increased profits realizable only abroad by the use of the foreign tax credit and deferral.

The multinational oil companies earned $1.085 billion on mining and oil operations abroad in 1970, but because of their use of these tax loopholes, these firms paid not one cent in U.S. taxes on that income.

The Arabian American Oil Company (ARAMCO), which is a huge oil producing consortium consisting of Exxon, Texaco, Mobil, Standard Oil of California, and the Saudi Arabian Government, is the world's largest oil petroleum producer and the world's biggest money maker. In 1973, the company had profits after taxes of $3.25 billion. How much did the United States get from them in taxes? Not one penny of income tax and a meager $2.7 million in payroll taxes.

Recently we have been provided additional and more detailed information on the tax status of the multinational oil companies by my distinguished colleague from the State of Washington, Senator Jackson. On December 2, Senator Jackson summarized on the floor of the Senate the report of the permanent subcommittee on investigations entitled "analysis of tax data of seven major oil companies." The report analyzes the tax returns of seven major U.S. oil firms from 1968 through 1972.

Mr. President, because Senator Jackson's remarks are so important and astute on this topic, I should like to quote extensively from his remarks. He said, in part:

"The results of our examination are both startling and disturbing.

"For each of the years 1968 through 1972 the seven companies aggregated had an effective U.S. tax rate—that is the percentage of net income actually paid in Federal income taxes—of five percent or less. However, for the same five years, these companies paid foreign taxes at an effective tax rate of between twenty percent and twenty-nine percent."

The study identifies each individual company by random alphabetical letters to protect the confidentiality of their tax returns. Using this convention, Senator JACKSON revealed how little the oil companies profits have benefitted the U.S. Treasury and how much they have contributed to the treasuries of the operating countries, as follows:

"Company E paid an overall effective income tax tax rate of 28.70 percent but only 1.32 percent went for U.S. taxes while 27.37 percent went for foreign income taxes.

"Company D paid an overall effective income tax rate of 27.90 percent but only 2.30 percent went for U.S. taxes while 25.59 percent went for foreign income taxes.

"Company C paid an overall effective income tax rate of 33.77 percent but only 2.32 percent went for U.S. taxes while 31.44 percent went for foreign income taxes.

"The dollar figures are even more convincing. In 1972, the pretax net income of the seven companies combined totaled $10.2 billion. They paid $2.9 billion in foreign "income taxes" and only $450 million in U.S. income taxes."

The report on which Senator Jackson based his remarks contained a table, table 1-B, which shows the aggregate amount of foreign and U.S. taxes paid by these seven oil firms from 1968 through 1972. The table reveals that foreign tax payments of these companies varied from 19.5 percent of foreign net income in 1968 to 28.7 percent of foreign net income in 1972. At the same time, U.S. tax payments of these corporations ranged from 2.6 percent of foreign net income to 5.4 percent.

Mr. President, I ask unanimous consent that the table to which I refer be printed in the record at this point.

TABLE 1.—B. AGGREGATE—7 COMPANIES

[Money amounts in thousands of dollars]

Year	Pretax net income [1]	Foreign income taxes [2]	U.S. income taxes [3]	Total U.S. and foreign income taxes	Effective rate: Foreign income taxes	Effective rate: U.S. income taxes	Effective rate: Total income taxes
1968	$7,576,607	$1,477,056	$294,018	$1,771,074	19.49	3.88	23.88
1969	8,161,889	1,623,103	208,500	1,831,603	19.89	2.55	22.44
1970	8,848,243	1,735,324	474,570	2,209,894	19.61	5.36	24.98
1971	9,460,257	2,522,981	467,467	2,990,488	26.67	4.94	31.61
1972	10,236,458	2,938,012	450,985	3,388,997	28.70	4.41	33.11

[1] Net income per book plus provision for Federal income taxes plus fogn credireitable income taxes paid and deemed paid.

[2] Taxes paid and deemed paid.

[3] Regular plus minimum income tax.

Senator Jackson's conclusion from this evidence was particularly succinct:

"The United States Government, through its tax policy, has helped to finance the international oil cartel which now threatens to destroy our economic system."

Senator Jackson went on to compare the tax contributions of the multinational oil companies to the tax payments of the average family and the average U.S. corporation. From 1972 Internal Revenue Service statistics, he concluded the average effective tax rate on all returns filed by individuals was 13 percent of adjusted gross income. Considering corporate taxes, Senator Jackson revealed, "The average effective Federal corporate tax rate for 100 industrial corporations selected from the "Fortune 500" list was 29 percent."

From this comparison with U.S. taxes paid by the multinational oil companies of less than five percent each year, Senator Jackson drew his second conclusion:

"The major oil corporations are not paying their fair share of taxes to the United States."

The remarks of Professor Glenn Jenkins of Harvard University, before the Subcommittee on Multinational Corporations on January 30, 1974, are especially pertinent in analyzing the effect of the foreign tax credit on multinational oil companies. Professor Jenkins said:

"Although the foreign tax credit is a provision which applies to foreign earned income from any types of foreign investments, its impact in reducing United States tax liabilities is greatest in the cases of the petroleum and mining sectors. The petroleum industry has particularly benefited by the United States treasury's acceptance as creditable foreign taxes the artificially constructed income taxes which have been levied by major petroleum exporting countries."

"Instead of levying a large royalty or bonus payment to extract the economic rent from low-cost oil reserves, as would a domestic land owner in the United States, these countries have levied a tax as a percentage of the difference between a non-market posted price and a fixed per unit cost of production. These taxes are essentially a tax per barrel of oil produced and have little relationship to the profits generated by investments made in the production process. Yet they are allowed to be credited against United States tax liabilities. If instead a royalty or bonus payment had been levied, these payments could only be reduced from gross revenue as expenses."

Mr. President, the operation of the foreign tax credit, like the depletion allowance, creates perverse incentives for the oil industry. In the years after World War II, domestic involvement in foreign production increased considerably. With this increasing involvement, foreign governments placed growing pressure on the oil companies to increase their royalty payments.

To the oil companies, the advantage of claiming these increased payments as taxes rather than royalties was clear. A tax payment can be credited against a U.S. tax liability, where as a royalty payment must be treated as a deductible business expense when computing U.S. taxes. It was in the interest of the U.S. oil companies to persuade their host governments to enact income tax statutes to replace their royalty claims. In 1954, King Saud changed the royalty payments into a tax, as requested by the industry, so that the companies could benefit from the foreign tax credit.

The impact of the ruling has been to create an artificial incentive for investment abroad. Whereas the domestic producer must pay for mineral rights to land through royalty payments, which are treated as a business expense, the same payments by a foreign producer qualify as a tax credit.

Mr. President, there is an even more perverse aspect of the foreign tax credit in its application to multinational oil companies which I do not think has received sufficient attention. This is the fact that, because of the high "taxes" imposed on the companies by the operating countries, the companies accumulate vast amounts of excess foreign tax credits. These excess foreign tax credits may be carried backward two years or forward five to offset additional foreign taxable income. The very large accumulation of excess foreign tax credits by these corporations creates a strong tax incentive for the companies to enter into new massive investment programs abroad to generate new foreign income. This is the only way the excess tax credits can be used—to offset additional foreign income.

Professor Jenkins, whom I quoted a moment ago, also offered considerable testimony on this point which I should like to quote. He said:

"In every year since at least 1962, the aggregate value of the foreign tax credits available to the United States petroleum industry has been greater than the United States tax liability on its foreign income. In 1968 the excess foreign tax credits were equal to 32 percent of the total creditable foreign taxes and by 1971 the excess foreign tax credits equaled approximately fifty-five percent of the total foreign taxes paid. It is important to note that in 1968 over eighty-eight percent of the total foreign tax credits available to American petroleum corporations came from these quasi-income taxes levied by the petroleum producing countries, yet only twenty-eight percent of the net book value of the United States petroleum investments abroad were located in these areas. Thess taxes are now several times greater than the true corporation income that is generated by the investments located in these countries.

"The existence of large amounts of excess foreign tax credits, combined with the way in which the taxes are levied in the producing countries, provides an incentive for the American petroleum companies to shift income for tax purposes out of the consuming countries by transfer pricing to either the producing areas or tax haven countries. By dong this, they avoid paying the substantial income taxes that would be levied by the foreign consuming countries on the earnings of the investments located within their tax jurisdictions. This income can then be brought back to the United States along with some of the excess foreign tax credits from the producing countries to cancel out the United States income tax liability. By this procedure, investments made by the American petroleum companies in the foreign consuming countries, will often face a lower total tax bill (United States plus foreign tax) than would the identical investment if it were made in the United States. This has, in recent years, been one factor in making the construction of refineries and petrochemical plants in the United States relatively less attractive than in foreign countries.

"By 1971 approximately seventy percent of the net foreign assets of the American petroleum companies were associated with nonproduction activities such as refining, petrochemicals, tankers, marketing, and pipelines. During the five years from 1966 to 1971, these corporations have increased their net capital stocks in refineries and petrochemical plants located in foreign consuming countries by eighty-three percent and ninety-three percent respectively. In comparison, over this period the United States domestic net capital stocks in refining and petrochemicals have increased by only forty-four percent and

twenty-five percent. In both cases, the absolute amounts of investment carried out by American companies in the foreign consuming countries were greater than that made in the United States."

Mr. President, the forward and backward carryover of surplus tax credits, together with the principle of consolidation, has the effect of virtually forcing U.S. multinational oil companies into increased overseas investment. This encouragement is particularly strong where U.S. firms pay a very large "tax" burden in certain lines of their overseas operations.

In effect, the "American" international petroleum companies are being handed huge tax-free profits in the form of surplus tax credits—but only if they can use them up against income from other foreign operations which have lower national tax rates. If these other foreign operations do not exist, then the company is under a very strong dollar incentive to create them with new investments before the expiration of the carryover period. This means the oil companies can have this tax free profit only by expanding their refining, shipping and marketing interests outside the United States or by expanding abroad in unrelated industries.

Even a rough estimate of the amount of overseas income which can be sheltered by these tax credits is staggering. According to the figures computed by Stanley Ruttenberg and Associates, the surplus tax credit on Arab oil was $0.54 per barrel in 1972 and $2.44 in January, 1974. On the basis of just the Arabian production of U.S. companies of 3.5 to 4 billion barrels in 1972, and about 5 billion barrels in 1974, the U.S. multinationals would have accumulated about $2 billion in excess tax credits for 1972, and $12 billion in 1974. This is the amount of overseas profit which can be earned absolutely free of United States taxation by these companies because of the foreign tax credit! When one takes these figures and estimates the amount of overseas sales and gross income which can be earned free of United States taxes because of the tax credit the results are astounding. The results depend on the foreign tax rate on the overseas earnings and on the profit rate of the companies involved, but the results must be stated in the terms of hundreds of billions of dollars. As an example, using the figure of $12 billion in excess foreign tax credits in 1974, if the oil companies invest in other foreign countries in operations which will produce a ten percent profit margin (based on gross income) and will be taxed by foreign countries at a rate of thirty percent, the excess foreign tax credits would shelter approximately $600 billion of foreign sales and gross income.

Mr. President, this figure is three times the total sales by all affiliates by all U.S. multinationals in all industries. We are giving the multinational oil companies tax credits on their foreign earnings much faster than they can even use them. The incentive for these companies to invest abroad, and earn this profit free of U.S. taxation, rather than invest here in the United States, is indeed gigantic.

Mr. President, the termination of the foreign tax credit would put domestic production in a more competitive position with foreign development. And this is exactly what this amendment will do. The U.S. Geological Survey states that there are still four hundred and forty billion barrels of producable and undiscovered oil in the United States. This is enough to meet America's need well into the next century. The shift of the foreign tax credit to a deduction as proposed in my measure might well have provided the impetus to domestic production which, by this time, would have made us dependent on no one for oil.

The revenue effects of this amendment alone are difficult to determine. This is because the foreign tax credit works hand in glove with other tax advantages used by the multinational oil companies. If I may once again quote from the speech on the floor of the Senate on December 2 by my colleague, Senator Jackson, he explained this point by saying:

"Our study shows, the impact of the foreign tax credit is far understated in relation to the percentage depletion deduction because the foreign tax credit is computed last. Remove percentage depletion on foreign production but retain the foreign tax credit and there would be very little revenue gain. Remove the foreign tax credit and retain the percentage depletion on foreign production and, again, little change in the overall taxes due in this country would result. Only if both percentage depletion and the ability to credit foreign taxes were removed would there be a large increase in taxes accruing to the benefit of the United States."

Senator Jackson went on to state what he termed lesson number three as follows:

"Lesson No. 3: Special deductions available to oil companies have practically wiped out their tax liability domestically. There is an interrelationship between various deductions and credits benefiting the oil companies—specifically between percentage depletion and the foreign tax credit—and only an overall revision of tax benefits presently available will result in a substantially increased United States tax liability."

Mr. President, I wholeheartly agree with Mr. Jackson on this matter and this is why I am offering not one amendment, but several amendments to the trade bill. The second amendment I shall offer will have the effect of terminating the percentage depletion allowance on foreign produced oil and gas. These two amendments together would bring in about one billion dollars per year in additional U.S. taxes. Individually, this amendment which eliminates the foreign tax credit will have revenue implications primarily in the long run as the present large excess of foreign tax credits expires and can no longer be used to offset other foreign income.

In conclusion, the foreign tax credit allows multinational oil companies to earn gigantic profits and at the same time pay miniscule taxes to the United States. In the past year the profits of the major oil companies have increased at phenominal rates, between twenty percent and two hundred sixty-nine percent—at a time when the rest of us are suffering from the worst recession simultaneously with the worst inflation we have seen in decades. Yet despite these huge profits these companies pay taxes to the United States at an effective tax rate of only about five percent!

The foreign tax credit also is a strong incentive for our oil corporation to invest abroad rather than at home. The enormous excess tax credits they generate are, in effect, subsidies from the United States Government for investment and production abroad. Subsidies for exporting American capital, American technology, and American jobs to foreign lands.

Mr. President, I think it is high time these absurdities be ended!

CANADIAN AUTO AGREEMENT MYTHS

Mr. HARTKE. Mr. President, the fourth amendment concerned Canadian automobile agreements. This amendment would have been germane, and I would have called it up. There are certain myths concerning this agreement which I think need to be explored. Under the circumstances, I feel there is not on the floor of the Senate now the type of vote which is necessary to make the corrections that are in the best interests of the United States and ultimately of Canada.

Mr. President, several years ago, the United States entered into an agreement with Canada called the Canadian Automobile Agreement. At the time that agreement was entered into, the announced purpose of the agreement was to provide for a rationalized automobile industry. This phrase was used to describe the goal of attaining essentially a North American free trade area for automobiles. Unfortunately, the agreement has fallen far short of accomplishing this.

The agreement provided for elimination of U.S. tariffs on Canadian-manufactured automobiles and parts which came into the United States. However, the Canadian tariff elimination on U.S.-manufactured automobiles and parts applies only to shipments to manufacturers in Canada. The result has been a very one-sided trade relationship.

At the time the agreement was made in 1965, the United States had a positive balance of trade in automobiles with Canada of over $500 million. That balance decreased each year thereafter. By 1969, the balance had decreased to less than $100 million, and in both 1970 and 1971, the balance was negative by almost $200 million. Since 1970 some improvement in our trade position in automobiles with Canada has occurred and a positive balance is expected this year. A large part of this improvement, however, appears to be the result of statistical manipulation. United States-Canadian automobile balance-of-trade figures are not computed the same as our other trade statistics. If we compute the figures the same way we do the calculations for other trade areas, the situation looks decidedly worse.

As a matter of fact, if we compute the data for United States-Canadian automobile trade the same as we compute other trade data the U.S. deficit in this trade amounts to over $1 billion in 1971 and 1972 and is only slightly smaller in 1973.

Mr. President, as support for this statement, I ask unanimous consent that table 12 from the eighth annual report of the President to Congress on the operation of the Automotive Trade Products Act of 1965 be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 12.—U.S. AUTOMOTIVE TRADE, 1971-73 [1]

[In millions of U.S. dollars]

Item	Trade with all countries			Trade with Canada [2]			Trade with all countries except Canada		
	1971	1972	1973	1971	1972	1973	1971	1972	1973
U.S. exports:									
Passenger cars	1,183.3	1,322.1	1,798.9	946.6	1,076.6	1,412.6	236.7	245.5	386.3
Trucks, buses, and chassis	686.0	760.2	944.4	324.0	443.3	536.9	362.0	316.9	407.5
Parts and accessories	2,739.2	3,240.3	3,815.9	2,017.2	2,443.6	2,802.2	722.0	796.7	1,013.7
Total	4,608.5	5,322.6	6,559.2	3,287.8	3,963.5	4,751.7	1,320.7	1,359.1	1,807.5
U.S. imports:									
Passenger cars	5,139.8	5,711.8	6,495.6	2,396.9	2,594.9	2,770.0	2,742.9	3,116.9	3,725.6
Trucks, buses, and chassis	854.6	1,128.2	1,290.8	721.1	850.6	951.3	133.5	277.6	338.5
Parts and accessories	1,786.0	2,197.9	2,739.9	1,355.1	1,628.0	1,955.7	430.9	569.9	784.2
Total	7,780.4	9,037.9	10,526.3	4,473.1	5,073.5	5,677.0	3,307.3	3,964.4	4,848.3
U.S. net exports (−)	(3,171.9)	(3,715.3)	(3,967.1)	(1,185.3)	(1,110.0)	(925.3)	(1,986.6)	(2,605.3)	(3,040.8)

[1] The figures are not all inclusive inasmuch as some automotive products as well as other items destined for automotive use are not separately delineated in U.S. trade classification systems and, therefore, are not separately available in U.S. foreign trade statistics. Exports and imports of tires and tubes are not included. Figures may not add to totals because of rounding.

[2] The purpose of this table is to compare U.S. automotive trade balances with Canada and with the rest of the world. Therefore, imports of automotive products newly identified by the Automotive Products Trade Act of 1965 (APTA) are not included because similar items are not identifiable in the statistics of imports from other countries. See table 14 for totals of these new APTA items from Canada.

[3] The net balance shown for U.S. automotive trade with Canada in the above table are the most representative figures possible on the basis of U.S. trade statistics. However, see discussion of United States-Canada automotive trade statistics in section II.

Source: Bureau of the Census.

Mr. HARTKE. Mr. President, the nature of our trade relationship with Canada is also revealing. As demonstrated in the table, the preponderance of U.S. auto exports to Canada is in parts. On the other hand, the greatest portion of Canadian exports to the United States is finished automobiles.

Almost twice as many finished cars are shipped from Canada to the United States as the other direction. To a large extent, therefore, the nature of our trade relationship with Canada is we ship parts up to Canada to be assembled into completed automobiles and then shipped back to the United States duty free.

This has been a very profitable arrangement for the big automobile producers. An article in the Washington Post in 1972 called attention to the fact that the big three U.S. auto producers own most of the car assembly and production plants in Canada. These auto companies do not want to see the Canadian auto agreement changed because it has been a very profitable arrangement for them.

The article also explains the blatant one-sidedness of the auto agreement by referring to the two "safeguards" that Canada negotiated. The first safeguard is that the ratio of total car production to total sales in Canada of United States-Canadian subsidiaries must remain at least at the level it was in 1964. The second safeguard relates to the value added in Canadian production and that in relation to total output it must remain as high as in 1964. These agreements were originally negotiated as "transitional" provisions but they are still part of the trade situation, and the Canadian Government refuses to negotiate their removal.

Mr. President, I ask unanimous consent that the Washington Post article entitled "Big 3 Win in Canadian Auto Pact" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIG 3 WIN IN CANADIAN AUTO PACT

(By Claude Lemelin)

MONTREAL.—General Motors, Ford and Chrysler have repeatedly indicated to both the Nixon Administration and the Trudeau government in recent months that they are satisfied with the U.S.-Canada auto pact as it stands and do not wish to see it changed.

This was learned from Canadian sources in both Ottawa and Washington.

The auto pact, signed in 1965 by former President Lyndon B. Johnson and former Canadian Prime Minister Lester B. Pearson, provided for the integration of the industry's productive facilities in Canada and the United States

It is the major stumbling block in continuing trade talks between Ottawa and Washington, which broke down earlier this month after the Nixon Administration rejected a package deal approved by the Canadian government.

The Big Three own and control most car assembly and parts manufacturing plants in Canada. They have benefited enormously from the pact, which enabled them to raise the productivity of both labor and capital in their Canadian plants by lengthening runs and streamlining the product mix.

The profits of GM, Ford and Chrysler (which flow back to the U.S.) have soared since the pact came into force, Canadian officials claim. But in balance-of-payments terms, an American surplus turned into a deficit with Canada in automotive products.

Since 1971, Treasury Secretary John Connally has been pressing Canadian authorities to accept an upgrading of the auto pact into a full-fledged and unconditional free-trade agreement in automotive products between the two countries. But Ottawa has steadfastly refused. It is feared that such an arrangement soon would result in a severe contraction of production and employment in the Canadian car industry. Some Canadian officials even talk of an eventual concentration in the United States of production facilities now servicing both national markets.

In the course of bilateral negotiations conducted since Prime Minister Trudeau's White House meeting with President Nixon last December, however, Ottawa proposed a compromise whose nature has not been disclosed officially.

The Canadian secretary of state for external affairs, Mitchell Sharp, described this offer last week as "fair and reasonable." It allegedly included the suspension—but not the removal—of the two "safeguards" which Ottawa negotiated six years ago with the Big Three.

First, that the ratio of total car production to total sales in Canada of their Canadian subsidiaries remain at all times at least as high as in 1964.

Second, that their output's value added from Canadian sources in relation to total value of output (in effect, the proportion of work done in Canada on the finished vehicle) also remain as high as in the base year.

The U.S. Treasury has been urging the complete removal of the safeguards, plus extension of present duty-free arrangements to new motor vehicles not covered by the pact, as well as used cars. In addition, Washington has asked Ottawa to allow anyone—not only car manufacturers—to import automotive products from the United States free of duty.

Though formally a bilateral agreement between governments, the auto pact is in fact a tripartite arrangement among Washington, Ottawa and Detroit, since the Big Three exchanged seven year ago "letters of undertaking" with the Canadian government—with the blessing, at the time, of the Johnson Administration.

Being interested parties, General Motors, Ford and Chrysler therefore have been consulted frequently by both governments in recent months. And much to the annoyance of the Nixon Administration, they have refused to endorse publicly Secretary Connally's call for a revision of the auto pact.

Knowledge that the Detroit-based industry is less than keen on changes is a major reason why the Trudeau government has felt able to hold its own before Washington's onslaught.

Canadian officials claim that GM, Ford and Chrysler consider remaining restraints upon free auto trade between the two countries as essential to the maintenance of adequate profitability in their Canadian plants. The Big Three also have expressed fear that a stalemate between Ottawa and Washington might lead to a breakdown of the auto pact. This would cause major disruptions in planning and production.

Mr. HARTKE. Mr. President, the effect of this one-side, ill-advised agreement has not only been an erosion of the U.S. balance-of-trade position but also a loss of American jobs. Since 1965 employment in the American auto industry has increased by 12 percent; over the same period employment in the Canadian auto industry has increased by 33 percent.

Mr. President, I ask unanimous consent that tables 9 and 10 from the eighth annual report of the President, documenting these employment trends, be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 9.—TOTAL EMPLOYMENT IN THE U.S. AUTOMOTIVE PRODUCTS INDUSTRY BASED ON U.S. 1967 STANDARD INDUSTRIAL CLASSIFICATION (SIC), ANNUAL AVERAGE, 1965–73

[Thousands of employees]

Year	Total motor vehicles and equipment (SIC 371)	Motor vehicles (SIC 3711)	Passenger car bodies (SIC 3712)	Truck and bus bodies (SIC 3713)	Parts and accessories (SIC 3714
Annual average:					
1965	842.7	352.9	66.4	34.5	362.8
1966	861.6	361.5	65.3	36.8	370.2
1967	815.8	341.0	60.0	37.0	351.7
1968	873.7	373.1	59.5	37.8	376.1
1969	911.4	392.9	56.9	40.3	390.8
1970	797.3	336.3	45.9	38.3	351.3
1971	842.1	371.5	51.3	37.3	358.9
1972	860.9	381.3	45.6	39.2	369.4
1973 [1]	941.4	420.2	48.9	42.6	401.5

[1] Preliminary.

Source: Bureau of Labor Statistics.

TABLE 10.—TOTAL EMPLOYMENT IN CANADIAN AUTOMOTIVE PRODUCTS INDUSTRY BASED ON CANADIAN STANDARD INDUSTRIAL CLASSIFICATION (SIC), ANNUAL AVERAGES, 1965–73 [1]

[In thousands of employees]

Year	Estimated employment [2]		
	Motor vehicles (SIC 323–5)	Assembling (SIC 323)	Parts and accessories (SIC 325)
Annual average:			
1965	81.9	41.9	34.8
1966	85.7	42.8	37.0
1967	84.1	40.7	37.1
1968	84.8	41.6	36.7
1969	92.1	44.5	39.7
1970	83.4	39.4	35.8
1971	93.5	43.1	40.6
1972	98.7	44.1	42.7
1973 [3]	108.7	45.2	48.6

[1] Establishment with 20 or more workers.

[2] The employment figures in this table are estimates based on Statistics Canada's employment indexes. It is believed these are more accurate than the previous employment figures in table 10 which were based on somewhat less comprehensive data.

[3] Preliminary.

Source: Statistics Canada.

Mr. HARTKE. Mr. President, in 1972, my colleague, Senator GRIFFIN of Michigan, indicated that the Canadian automobile agreement had cost the State of Michigan and the country thousands of jobs. I myself introduced evidence that the auto agreement had cost at least 100,000 American jobs. And new evidence is forthcoming almost every day. Just last month, Chrysler announced layoffs that brought their total idled workers in the United States to 75,500, over 60 percent of their total work force. To date, the Chrysler production facilities in Canada are still going full tilt with only token layoffs at two plants.

In conclusion, the Canadian automobile agreement was originally hailed by its backers as the beginning of a North American free trade arrangement for autos. It has not turned out that way. The agreement grants preferential access to the U.S. auto market for autos or parts produced or assembled in Canada. But U.S. producers do not receive equal treatment. U.S. producers are limited to shipping their products to Canadian manufacturers. And their operations are subject to restrictive safeguards imposed by the Canadians.

The effect of this agreement has been disastrous for the United States. Our balance of payments in automobile trade with Canada, which once was strongly positive, has turned negative. In addition, we have lost thousands of jobs because of U.S. manufacturers, increased operations in Canada.

This agreement is just one more example of the United States using foreign trade to give foreign aid. But this practice is too expensive to tolerate, too expensive in terms of American trade balance, and too expensive in terms of American jobs. The agreement should be terminated.

The unfortunate part, as I said before, is that while American automobile workers are going to have a very dismal and dark Christmas, the total extent of automobile layoffs in Canada at this moment is less than 5,000. This was a giveaway, as I said, in 1965 by President Johnson to the Prime Minister of Canada, with an implied understanding that this giveaway of the American automobile industry would encourage Canada to participate in the war against Vietnam. It demonstrates the futility of trying to make public policy out of economic considerations.

That, in essence, is why I felt that this situation should be corrected. But recognizing the votes on the floor of the Senate, and recognizing the fact that most Senators are anxious to conclude this debate, I shall not pursue the amendment.

Mr. LONG. Mr. President, I have a number of amendments that I shall ask the Senate to consider. Some of these amendments are committee amendments; some are for myself, and some for other Senators.

AMENDMENT NO. 2048

I call up my amendment No. 2048, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an amendment No. 2048.

Mr. LONG. I ask unanimous consent that the reading of the amendment be waived. I shall explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG's amendment (No. 2048) is as follows:

On page 70, line 2, strike out "compensation and".

On page 70, between lines 14 and 15, insert the following new paragraph:

(3)(A) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(13) Special Representative for Trade Negotiations."

(B) Section 5314 of such title is amended by adding at the end thereof the following new paragraph:

"(60) Deputy Special Representatives for Trade Negotiations (2)."

On page 101, line 22, strike out "(60)" and insert "(61)".

Mr. LONG. This amendment would cause the special trade representative to receive compensation at Cabinet level and it would have his two deputies at the level of a special trade representative. They would be raised to level 3 of the executive schedule.

The point is, Mr. President, that those who negotiate at this level will be negotiating at Cabinet level with those from other nations. In my judgment, our Nation's interest would best be served if the special representative for trade negotiations were speaking for this Nation as though he were a Cabinet officer rather than speaking for this Nation as an ambassador serving under a Cabinet officer.

I am confident this will help us achieve our purposes in this bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BENNETT. Mr. President, I recognize that the committee generally is in support of this amendment. The thing that worries me about it is that if we, without too much consideration, can raise the head of a more or less independent agency to Cabinet level, we are going to have demands from all other heads of independent agencies that they should be raised to Cabinet level. It seems to me that the President should be the one who has the right to decide which of the people who work for him are Cabinet officers and which are to operate on different levels.

I have great faith in the ability of the present special trade representative. I think he will do a wonderful job. I think in terms of results he probably will be as effective as a member of the Cabinet, overall.

But I think we should be a little slow in moving to create what, in effect, is a breach in the previous pattern through which a lot of other heads of independent agencies may try to move in order to get Cabinet rank, if not actual Cabinet status, in the total pattern.

However reluctantly, I think I personally must vote against this proposal.

Mr. LONG. Mr. President, the committee agreed to this amendment. There was no objection. The Senator certainly can change his mind.

But, Mr. President, this man who is the special trade representative works in the White House. He works day by day sitting there with the other Cabinet officers when trade is involved. There is only one difference. He works for us as well as for the President. He is the representative of Congress, and we are entrusting powers through the President to him, rather than directly to him.

It is to our advantage that this man should not be overruled by Mr. Simon, Secretary of the Treasury. So far as I know, that is the only man in the Cabinet who does object.

I have done everything I can do around here to elevate Mr. Simons' stature while he was transferred from job to job. It is about time that we elevated someone else working for us, if we expect him to advance the interest of this Nation. I

think we would be well advised to adopt this amendment.

We do not change his title to secretary. All we do is to elevate his pay to executive level 1 and give him a little additional dignity and stature so that he can speak a little more effectively for this Nation.

I think he can make a better deal in that capacity.

Mr. PASTORE. Will the Senator yield?

Mr. LONG. I yield.

Mr. PASTORE. My experience in the past is that it does not make any difference what the size of the country is at the negotiating table. What makes the difference is what your title is. Sometimes a minister will not talk to an ambassador because he does not think he is on the same level and same plane. Here is a man who is charged with cultivating international trade. That is what this bill is all about. Let us give him a status. Let us give him a status that will give him dignity, prestige, and influence at the negotiating table. That is what this amounts to.

Mr. BENNETT. We are not changing the title. We are only changing his pay. Whatever additional status he has would be internal, in my opinion, not external.

Mr. LONG. Mr. President, it also affects matters of protocol such as where he is going to sit at the dinner table when he is invited to an embassy, and things of that sort. It makes all the difference in the world.

I once handled a top pay bill for these Cabinet officers, the sub-Cabinet officers, and the independent agencies. The thing that shocked me in handling that bill when I was a freshman Senator was the fact that it made all the difference whether one man was paid more than another man, because it had to do with where they sit at the dinner table, whether they are invited out to dinner or not, and whether they are called this or called something else.

Having been all through that, Mr. President, I am satisfied that this is important. If you want this man to do the best that can be done for this country, he should not be working under Secretary Simon; he ought to be working side by side with him.

He should not be working under the Secretary of Commerce; he ought to be working side by side with him. They ought to sit down with the President without him being inferior to those men. That is the purpose of the amendment.

I am sure it will help achieve our objective.

The PRESIDING OFFICER. The question is on agreeing to the amendment (putting the question).

Mr. LONG'S amendment (No. 2048) was agreed to.

AMENDMENT NO. 2050

Mr. LONG. Mr. President, I call up my amendment No. 2050 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 178, beginning with line 7, strike out through line 14 and insert in lieu thereof the following:

"(d) The Secretary is authorized to guarantee loans for—

"(1) the acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, and

"(2) working,

made to private borrowers by private lending institutions in connection with projects in trade impacted areas subject to the same terms and conditions to which loan guarantees are subject under section 202 of the Public Works and Economic Development Act of 1965, including record and audit requirements and penalties, except that—".

Mr. LONG. This amendment is virtually a technical amendment. It simply says that with regard to loan guarantees for community assistance programs, it could be applied to plant facilities as well as the working capital. I know of no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment. (Putting the question.)

Mr. LONG'S amendment (No. 2050) was agreed to.

AMENDMENT NO. 2051

Mr. LONG. Mr. President, I call up my amendment No. 2051, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes amendment No. 2051.

The amendment is as follows:

On page 216, line 15, beginning with "Within" strike out all through the period in line 22 and insert the following: "Within 30 days after a determination by the Secretary—

"(1) under section 201 of the Antidumping Act, 1921 (19 U.S.C. 160), that a class or kind of foreign merchandise is not being, nor likely to be, sold in the United States at less than its fair value, or

"(2) under section 303 of this Act that a bounty or grant is not being paid or bestowed,

an American manufacturer, producer, or wholesaler of merchandise of the same class or kind as that described in such determination may file with the Secretary a written notice of a desire to contest such determination."

On page 217, line 20, after "value" insert ", or under section 303 of the Tariff Act of 1930 that a bounty or grant is not being paid or bestowed".

On page 218, line 17, after "proceeding," insert the following: "Upon service of the summons on the Secretary of the Treasury or his designee in an action contesting the Secretary's determination under section 303 of the Tariff Act of 1930 that a bounty or grant is not being paid or bestowed, the Secretary or his designee shall forthwith transmit to the United States Customs Court, as the official record of the civil action, a certified copy of the transcript of all hearings held by the Secretary in the proceeding which resulted in such determination and certified copies of all notices, determinations, or other matters which the Secretary has caused to be published in the Federal Register in connection with such proceeding.".

On page 231, line 13, strike out "and".

On page 231, line 15, after "any," insert "and the special duty described in section 202 of the Antidumping Act, 1921 (hereinafter in this section referred to as 'antidumping duties'), if any,".

On page 231, line 21, after "duties" insert "or antidumping duties".

On page 232, lines 1, 8, 10, and 22, after "duties" insert "or antidumping duties".

On page 232, line 11, after "duty" insert "and antidumping duty".

On page 232, line 18, after the period insert the following: "For antidumping duty purposes, the procedures set forth in section 201 of the Antidumping Act, 1921, shall apply.".

On page 233, lines 3, 7, and 15, after "duties" insert "or antidumping duties".

Mr. LONG. Mr. President, this amendment permits a manufacturer to review on an identical basis negative countervailing duty and antidumping determinations of the Secretary of the Treasury.

It is more or less a conforming amendment to carry out the intent of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment. (Putting the question.)

Mr. LONG'S amendment (No. 2051) was agreed to.

AMENDMENT NO. 2049

Mr. LONG. Mr. President, I call up my amendment No. 2049, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

AMENDMENT NO. 2049

On page 79, between lines 5 and 6, insert the following new paragraph:

(3) On the day on which an East-West Foreign Trade Board determination report is transmitted to the House of Representatives and the Senate under section 410(c)(4), an export disapproval resolution, if required under section 410(d)(1), with respect to such report shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and the minority leader of the Senate. If either House is not in session on the day on which such a report is transmitted, the expert disapproval resolution with respect to such agreement report shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. The export disapproval resolution introduced in the House shall be referred to the Committee on Ways and Means and the export disapproval resolution introduced in the Senate shall be referred to the Committee on Finance.

On page 79, line 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 79, line 18, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution."

On page 80, lines 5 and 6, strike out "or

approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 80, line 7, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 80, lines 10 and 11, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 80, line 14, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 81, line 15, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 81, line 20, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 1, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, lines 2 and 3, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 6, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 12, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 82, line 16, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution."

On page 82, line 22, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 83, line 4, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

One page 83, lines 10 and 11, strike out "or approval resolution" and insert in lieu thereof a comma, and the following: "approval resolution, or export disapproval resolution".

One page 83, lines 18 and 19, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 83, line 24, strike out "or approval resolution" and insert in lieu thereof a comma and the following: "approval resolution, or export disapproval resolution".

On page 264, between lines 18 and 19, insert the following:

SEC. 409. EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

The International Trade Commission shall establish and maintain a program to monitor imports of articles into the United States from nonmarket economy countries and exports of articles from the United States to nonmarket economy countries. To the extent feasible, the Commission shall coordinate such program with any relevant data gathering programs presently conducted by the Secretary of Commerce. The Secretary of Commerce shall provide the Commission with any information which, in the determination of the Commission, is necessary to carry out this section. The Commission shall publish a detailed summary of the data collected unler the East West Trade Statistics Monitoring System not less frequently than once each calendar quarter and shall transmit such publication to the East-West Foreign Trade Board and to Congress. Such publication shall include data on the effect of such imports, if any, on the production of like, or directly competitive, articles in the United States and on employment within the industry which produces like, or directly competitive, articles in the United States.

SEC. 410. EAST-WEST FOREIGN TRADE BOARD.

(a)(1) There is established within the executive branch of the Government of the United States a board to be known as the East-West Foreign Trade Board (hereinafter referred to as the 'Board').

(2) The Board shall be composed of the Special Representative for Trade Negotiations, who shall serve as chairman, the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Agriculture, the Secretary of Interior, the Chairman of the Board of Governors of the Federal Reserve System, the President of the Export-Import Bank of the United States, the Chairman of the Federal Power Commission, the Administrator of the Energy Research Development Administration, and the Director of the National Science Foundation.

(3) Six members of the Board shall constitute a quorum.

(4) The Board shall have an official seal which shall be judicially noticed.

(5) The Chairman of the Board shall appoint and fix the compensation of such personnel as are necessary to fulfill the duties of the Board in accordance with the provisions of title 5, United States Code.

(6) The Board may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(7) In carrying out its responsibilities under this section, the Board shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of any agency of the United States. Each agency of the United States shall make available to the Board such personnel, facilities, and other assistance, with or without reimbursement, as the Board may request.

(b) The Board shall coordinate the policies and operations of all agencies of the United States which regulate or participate in trade with nonmarket economy countries or instrumentalities of such countries, including those agencies which provide credits or investment guarantees to such countries or instrumentalities. The Board shall also oversee the activities of persons within the United States who participate in trade with nonmarket economy countries or instrumentalities of such countries to encourage the expansion of such trade and to insure that such trade will promote the national interest of the United States.

(c)(1) Any agency of the United States which is involved in negotiations to provide credits or investment guarantees in an amount in excess of $5,000,000 to any nonmarket economy country or to any instrumentality of such a country, and any person who is involved in negotiations with respect to the export from the United States to such country or instrumentality of technology vital to the national security of the United States, shall file a report with the Board with respect to the provision of such credits or guarantees or the export of such technology, in the form and containing the information which the Board requires, not less than 90 days before such provision or such export.

(2) The Board shall provide an opportunity for interested parties to be heard, under the provisions of chapter 5 of title 5, United States Code, with respect to each report filed under the provisions of paragraph (1) and shall make a determination with respect to each report as to whether the proposed provision of credits and investment guarantees or export of technology will promote the national interests of the United States.

(3) No person may provide credits or investment insurance to any nonmarket economy country or to any instrumentality of such a country and no person may export technology to such a country or instrumentality if the Board determines under paragraph (2) that such provision or such export will not promote the national interest of the United States.

(4) Each determination by the Board under paragraph (2) shall be published in the Federal Register and shall be reported to the Congress. Such report shall include a statement of the impact of the provision of such credits or investment guarantees or the export of such technology on the national security of the United States, on the production in the United States of relevant articles, on employment in the United States in relevant industries, and on consumers in the United States.

(d)(1) If the Board determines under subsection (c) that the provision of credits or investment guarantees or the export of technology will promote the national interest of the United States, and if the dollar amount of such credits or guarantees exceeds $50,000,000, then no person may provide such credits or guarantees or export such technology if the Congress disapproves of such determination by the adoption of an export disapproval resolution (described in section 151(b)).

(2) For purposes of paragraph (1) and subsection (c)(1), if the total amount of credits and investment guarantees which an agency of the United States provides to all nonmarket economy countries and the instrumentalities of such countries exceeds $50,000,000, or $5,000,000, as applicable, during a calendar year, then all subsequent provisions of credits or investment guarantees, in any amount, during such year shall be subject to Congressional disapproval under this subsection or shall be reported to the Board, as applicable.

(e) The East-West Foreign Trade Board shall submit to the Congress an annual report on trade between the United States and nonmarket economy countries. Such report shall include a review of the status of negotiations for bilateral trade agreements between the United States and such countries under title IV of this Act, the activities of joint trade commissions created pursuant to such agreements, the resolution of commercial disputes between the United States and such countries, any exports from such countries which have caused disruption of United States markets, and recommendations from the promotion of East-West trade in the national interests of the United States.

On page 75, line 18, immediately after the comma, insert the following: "export disapproval resolution described in subsection (b)(4)".

On page 77, between lines 9 and 10, insert the following:

(4) The term "export disapproval resolution" means only a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: "That the Congress disapproves the determination of the East-West Foreign Trade Board with respect to the following proposed provision of credits or investment guarantees or export of technology as stated in the report transmitted by the Board to the Congress on ———. ", the first blank space being filled in with the proposed provision of credits or guarantees or export of technology involved and the second blank being filled in with the appropriate date.

Mr. LONG. Mr. President, this amendment establishes review and control by a joint cabinet board to be chaired by the Special Representative for Trade Negotiations of the agreements that are made with nonmarket countries.

What we are concerned about here,

Mr. President, is that the Soviet Union and other nonmarket countries will definitely want to acquire all the technology they can from the United States in these negotiations.

When a company like International Business Machines is negotiating with them, that company really has no way of knowing whether or not it is in the national interest to let those people have all the technology that IBM has. There ought to be somebody involved in this who can look at what the national interest is and the extent to which we might be giving away vital defense information, information essential to this country.

In addition to that, Mr. President, with regard to Government credits, very large export orders, or the grain deals, such as the grain deal that existed with the Soviet Union, we should not be caught in a situation again where a very large deal, such as the grain deal, was made without adequate information. That deal worked out very much to the detriment of the United States.

This amendment is very narrowly drawn. That is, it very closely restricts the trading with the eastern countries, the Soviet bloc, and assures us that we will know that these things are in the national interest.

If the Congress does not think it in the national interest, it reserves to both the House and Senate, to either House, the right to veto the deal if we do not think it is in the national interest.

It may be that we have drawn this too tightly, restricted trading, Mr. President. But, if so, I would be glad to modify it in conference to carry out the spirit as long as we can be sure that we are not going to be whipsawed the way we were in the Soviet grain deal.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TALMADGE. Mr. President, the trade bill, H.R. 10710, arms the Executive with fully adequate authority to correct our deficit balance-of-payments position, to increase our exports, and to provide for orderly control of imports.

I am confident that Ambassador William D. Eberle, our Special Representative for Trade Negotiations, will use this authority to negotiate in the best interests of the United States.

My State has vast agricultural and industrial interests which will be affected by the upcoming multilateral trade negotiations. The textile and apparel industries, which employ thousands of Georgians, could be vitally affected. It was in this connection and at the request of several of my constituents in these industries that Ambassador Eberle and I exchanged letters. I ask unanimous consent that that correspondence be included in the RECORD at this point.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

NOVEMBER 25, 1974.

Hon. WILLIAM D. EBERLE,
Special Representative for Trade Negotiations, Executive Office of the President, Washington, D.C.

DEAR MR. AMBASSADOR: Since the Committee on Finance ordered the trade bill reported to the Senate, several of my textile constituents have raised inquiries about the bill's possible impact on their industry. I want to respond to those inquiries and would appreciate your comments on these matters of great importance to my constituents and me.

One concern involves the GATT multifiber arrangement (MFA) governing international trade in textiles. I understand that the MFA has completely separate status under the GATT from any agreements which may be negotiated by the Administration under the authority granted by the trade bill. Is my understanding correct?

I understand that you intend to negotiate a prolongation of the MFA beyond its present expiration date because you and the Administration generally feel that the MFA and the bilateral agreements thereunder have proven to be a useful tool of international trade policy. Is my understanding correct?

I further understand that none of the powers granted to the President under the trade bill, whether with respect to nontariff barrier negotiations, import relief provisions, or others, applies to the present MFA structure. Is my understanding correct?

Another concern involves textile import duties. Your November 5 letter to Senator Russell B. Long reaffirms the Executive's intention to exclude textile and apparel products from any tariff preferences granted to developing countries. Can you give similar assurances with respect to general tariff cutting authority in view of the fact that imports under quota are now coming into the United States at market disruptive prices?

I would deeply appreciate having your response within the week if possible.

With best wishes and kindest personal regards, I am

Sincerely,

HERMAN E. TALMADGE.

THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
Washington, November 29, 1974.

Hon. HERMAN E. TALMADGE,
U.S. Senate, Washington, D.C.

DEAR SENATOR TALMADGE: Thank you for your letter of November 25, 1974, in which you pose several questions about the Multilateral Arrangement Regarding International Trade in Textiles (known as the multifiber arrangement, or MFA).

As you may know, Secretary Dent and I met with leaders of the American textile industry, including officials of the American Textile Manufacturers Institute on November 22. In this meeting, most of the points raised in your letter were discussed, in view of the fact that the Executive Committee of the ATMI is planning to meet on December 3, to discuss matters relating to the Trade Reform Act.

Your first question relates to the position of the MFA with respect to negotiations to be conducted under the authority of the Trade Reform Act. I assure you that we do not intend that the effectiveness of the MFA, or of the bilateral agreements negotiated pursuant to the MFA, be adversely affected in any way in the forthcoming multilateral negotiations.

Second, you are correct that we consider the MFA to be a valuable continuing instrument of our international trade policy. Based on the present operation of the MFA, I consider that it would be in the public interest to negotiate an extension of the MFA beyond its expiration date.

Third, you asked whether the powers granted to the President under the trade bill could apply to the MFA. This question was not raised in my meeting with ATMI officials.

As you know, the trade bill reported by the Finance Committee is very comprehensive. It does not single out any particular industry for treatment more or less favorable than that granted other industries. It relies instead on the judgment of the United States negotiators, and the Congress and the President, advised by industry groups, the public, and the Tariff Commission.

No provision of the bill requires changes in the MFA, but the authorities do, as a strictly legal matter, apply to textile products subject to the agreement. For example, the existence of the MFA does not preclude a domestic producer from seeking relief from unfair or injurious imports. In addition, the nontariff barrier implementation procedures technically apply to the MFA (as to all other trade measures). However, there is no intention of renegotiating the MFA structure under the nontariff barrier authority.

Regarding the general tariff-cutting authority in the bill, Secretary Dent and I assured the textile industry representatives that no tariff cuts would be made without full and prior consultation with the industry.

I hope that you find these answers responsive.

With best wishes and kind personal regards.

Sincerely,

W. D. EBERLE.

Mr. McGEE. Mr. President, as the Senate considers the Trade Reform Act, I would hope we could dispatch with this vital piece of legislation in an expeditious manner.

Since passage of the Trade Reform Act by the House of Representatives in 1973, events have clearly demonstrated that access to necessary supplies of food, raw materials, and other goods, will merit the same attention in trade negotiations as that previously given to the traditional problem of access to markets.

The Senate Finance Committee has significantly revised the Trade Reform Act, as passed by the House, in order the better to address the problem of supply access.

While in Kansas City, Mo., for the Democratic Convention, I served on the panel hearing reports from delegates on America and its role in the international system. On Sunday, I delivered a report to the full convention on some of the conclusions reached by the delegates and panelists during the course of the seminar. I ask unanimous consent that my address to the convention be included at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD as follows:

AMERICA AND ITS ROLE IN THE INTERNATIONAL SYSTEM

Long ago, H. G. Wells observed that "our true nationality is mankind." There isn't a simpler statement which could more adequately summarize the consensus of both the delegates and panelists who participated in the hearings on the American role in the international system. Never before in the history of mankind has the interdependence of people and nations been so obvious.

It is within this context that the basic nature of foreign policy problems have changed dramatically. The focal point of our foreign policy, up until now, has been on the political and diplomatic fronts of the Cold War. Yet, the newer international economic issues of energy, poverty, and inflation have replaced the older Cold War issues and approaches in world priorities. There was agreement that while it is necessary to hold the power-political structure of the world together, this structure cannot be main-

tained if we do not respond effectively to human needs and aspirations.

The Cold War was epitomized by the use of geo-political tools of the diplomat. With economic issues, there must be large-scale institutional cooperation and international collaboration, both of which can only result from patient consensus-building. In essence, the delegates and panelists agreed the United States could not remain riveted diplomatically and politically to the past without simultaneously addressing itself to the emerging new international economic realities. Unless, and until, the widening gap between the very rich and the very poor is narrowed, there can be no hope for peace in the world. The delegates and panelists were in complete accord this should be the new focus of U.S. Foreign Policy. Thus, as the Democratic Party continues the process of formulating viable policies to deal with inflation, unemployment, environmental pollution, urban and rural problems, this exercise becomes totally irrelevant if not taken within a global context. The domestic problems, and their resolution, are directly tied to the vagaries of an international economic system which is presently undergoing rapid and, oftentimes, frightening changes.

History does not allow us the luxury of sorting out our home-front problems in preference to international obligations and commitments. We must cope with both simultaneously. The delegates and panelists agreed we cannot separate our great domestic concerns from global problems which have contributed substantially to our domestic difficulties. Our domestic problems are inextricably interwoven with those of the world.

It was evident the delegates were cognizant of the world's problems and eager to participate in their resolution. It was equally evident that while there may be a growing isolationism within the United States as a whole, this attitude certainly was not reflected in the desires of the grassroots Democrats represented at the hearing. However, what was emphasized by these delegates was the need for a strong U.S. commitment to the world's poor in both economic development and food assistance. In assessing past U.S. policies, the delegates expressed their concern that the spread between the proportion of our resources allocated to military and non-military economic assistance activities be narrowed. Commensurate with this concern was the general agreement expressed for the phase-down in support for, and assistance to, oppressive governments.

In the area of food assistance, it was very apparent from the hearings that both President Ford and Agriculture Secretary Butz have seriously underestimated the willingness and commitment of the American people to meet the food needs of the starving millions in the world. While there is a basic commitment to use our food production capabilities for humanitarian purposes on a global scale, Americans do not wish to make sacrifices if such assistance is not shouldered equitably. Specific reference was made to the oil producing countries who, with their newly found wealth, had a special obligation to assist with the costs of feeding the world's hungry.

In essence, the delegates demonstrated a willingness to recognize that bread is an instrument of foreign policy. By the same token, the consensus was in favor of feeding starving people irrespective of their form of government or political ideology.

THE MIDDLE EAST

On the issue of the Middle East, there was a consensus that the independence of the State of Israel must continue to be a priority of U.S. foreign policy. While opinions expressed were diverse, there was broad agreement that progress toward a negotiated political settlement of the Palestinian question will permit Israel and her Arab neighbors to live at peace and to turn their energies to internal development.

ARMS CONTROL

While there was a general view that the Vladivostok Agreement setting a ceiling on nuclear arms proliferation was a plus, there remained general dissatisfaction that this was not enough. Top priority was given by delegates and panelists to an actual reduction in nuclear arms. Further concern was expressed over the proliferation of nations joining the so-called nuclear club. A demonstration of unilateral restraint on the part of the U.S. was called for by some of the delegates. There was a broad consensus that increasing the nation's nuclear overkill potential did not benefit anyone.

DÉTENTE

There was unanimous support for détente with the Soviet Union and the People's Republic of China, following as it did the many confrontations and crises of the postwar years. The delegates called for closer ties and broader international cooperation with both nations on a wide range of questions.

The delegates and panelists expressed their view that détente should be truly international in scope. In this connection, there was strong feeling that the time had come to move toward normalizing relations with Cuba. A continuation of past policies, it was feared, would tend to isolate the United States in the Western Hemisphere.

THE UNITED NATIONS

Deep concern was expressed over recent changes in the direction and policy within the United Nations. At the same time, a consensus emerged that the United Nations still represented an international focal point of hope in achieving a better understanding in the world.

GRASSROOTS PARTICIPATION IN THE FOREIGN POLICY PROCESS

The delegates expressed a strong desire for a greater input and participation in the surfacing of new foreign policy ideas and directions. This is a desirable product of the national dialogue launched by the Democratic Party and the panelists, in particular, applaud the initiative as a welcome and needed development.

CONCLUSION

Concern was expressed that by retreating behind our own shores, the United States had the most to lose if the world once again broke up into protectionist cartels. There was a recognition that the fears of protectionist groups were justified and understood. However, it was also recognized that we could ill-afford protectionism in a world rushing rapidly toward disaster.

In this context, concerns were expressed over the future of foreign assistance and international trade. The delegates and panelists agreed that foreign aid and trade were the pillars of a new and positive U.S. response to the needs of mankind.

It was appropriately noted that the United States, with only six percent of the world's population, is the major consumer of the globe's resources. In energy alone, we consume 30 percent of the world's supplies.

It was stressed that we face an international situation where, in the absence of substantial assistance from the rich nations, millions in Africa, Asia and Latin America are condemned to unacceptable levels of poverty. By the same token, the American economy demands a nearly limitless supply of raw materials to fuel its industry and create new jobs. The U.S. no longer has a sufficient supply of raw materials within its own borders. Therefore, this nation must look to these very nations as a source of its resource supplies.

That America has no alternative to an acceptance of international interdependence emerged as the simple—yet broad—conclusion of the delegates and panelists. It was agreed that the self interest of the U.S. and the well-being of mankind were synonymous and that it was no longer possible to turn our involvement in the world on and off to suit our particular domestic situation. The world is exploding in a convulsive series of human needs and aspirations. It was concluded that the American role in the international system was to respond quickly and effectively to these needs and aspirations. There is no question all of us recognized our dependence on each other—in this country—in the world. The most important result of this seminar was the recognition that the United States had to exercise a leadership role.

Let us implement these concerns expressed by the delegates of the Democratic Party.

Mr. McGEE. So, Mr. President, I would hope the Members of this body would exercise restraint and approach the Trade Reform Act with responsibility. In this connection, the Senate has ruled out of order all nongermane amendments. It is equally important that Senators refrain from introducing amending language sought by so many special interest groups.

The Trade Reform Act, as it is now written, will give the President the tools needed to establish a new international regime with respect to questions of supply shortages. He will have the necessary negotiating flexibility to reach agreement in supply access and the retaliatory authority needed to discourage unfair actions by foreign countries which effectively deny the United States fair and equitable access to supplies.

To attack this measure irresponsibly with amendments which are neither germaine nor appropriate is to court disaster for this Nation.

Mr. TAFT. Mr. President, I consider the Trade Reform Act to be one of the most important bills to come before the 93d Congress.

Passage of this bill will provide a basis for expansion and retention of American job opportunities, further efforts to reduce inflation caused by barriers to trade, and responsible international action to deal with the world economic crisis. Congressional inaction could lead to a shrinkage in world trade which would hurt workers and consumers alike, increase world tensions during a time of general economic instability, leave the United States without the legal power necessary to ensure that its industries are treated fairly in the world economy and considerably reduce the prospect that nations will undertake the cooperative efforts necessary to address the oil situation and other pressing economic problems.

The jobs over 3 million Americans are related directly to U.S. exports. This bill would foster increased export opportunities by allowing the President to negotiate for reduction or elimination of foreign tariffs, import quotas and other nontariff barriers which keep out American goods and services; allowing for negotiations to mitigate policies of discrimination against U.S. products, such as the common agricultural policy of the European Economic Community and the

granting by certain developing countries of "reverse preferences" to some of our export competitors; allowing U.S. retaliation against unfair trade practices including unfair export competition in foreign markets; and help to open and expand large export markets in communist countries.

Export-related jobs are not the only American jobs which would be protected further by this bill. It provides much more effective relief than present law for workers whose jobs are jeopardized by increasing imports. Stronger powers are provided to combat unfair import competition in American markets. Negotiations to insure supplies of scarce raw materials such as petroleum and bauxite, which are necessary to keep American industries running at the highest possible capacity, are also authorized. All negotiations are tied much more closely than in the past to advice from the private sector, so that the negotiators will be made aware of the steps necessary to protect and expand American job opportunities.

These same negotiations should prove a valuable tool for alleviating domestic inflation. Import barriers presently cost American consumers more than $10 billion per year in higher prices. The reduction of these trade barriers, in return for equivalent reductions by our trading partners that will foster American exports, will result in lower priced goods and services for American consumers; increased domestic industrial competition; and a greater availability of goods and services in American markets. Any increases in these barriers, which are more likely if we do not pass this bill, would have the opposite effects.

Less tangibly but perhaps even more importantly, the provision of trade negotiating authority by this bill will improve the prospect for international cooperation, with America playing a leadership role. In these trying economic times, countries are tempted to turn inward by erecting economic barriers around their borders and pursuing policies which would bolster their economies temporarily at the expense of other countries. The result of such action could only be a deepening of the worldwide recessionary and inflationary tendencies; the results were disastrous the last time this happened in the 1930's. While it remains to be seen whether countries under today's economic stress can actually eliminate or reduce many trade barriers, active negotiations should at least help to fend off actions which would worsen the situation.

Furthermore, the old deficit crisis adds a whole new dimension to the need for international economic cooperation. Recognizing that the overwhelming need for energy conservation, oil-related deficit financing and a useful dialog with the oil exporting nations cannot be met by individual actions on the part of oil importing countries, Secretary Kissinger has proposed some very strong international cooperative actions to deal with the situation. Securing the necessary cooperation from the many oil importing nations with highly divergent interests will be extremely difficult in any event. If the hands of the United States are tied in the whole vastly important area of trade negotiations, however, the chances that America can exert the necessary leadership role will be diminished further.

The rest of the world has waited several years to start the trade negotiations. Given the present situation, it is essential that Congress not force the world to wait longer.

Of course, the delicate arrangements involving both liberalized Soviet emigration policies and normalization of commercial relations with the Soviets are also a part of this bill. If those arrangements fall apart, the consequences could be grave for Soviet citizens deserving to emigrate as well as for United States-Soviet relations generally.

It is unlikely that anyone who studies legislation of this length and magnitude would be satisfied with every provision. I am no exception and there are numerous provisions I would like to see rewritten. In view of the tight timetable, I shall limit my efforts to amend the bill on the Senate floor. I am hopeful that where possible, however, the concerns which I will now document will be addressed in the House-Senate conference.

In title I, which provides the President with the necessary trade negotiating authority, I am disappointed that the Finance Committee decided to drop the House section allowing the President to suspend import barriers when necessary to restrain inflation. During inflationary times, the President should certainly be able to suspend restrictive trade measures which augment the problem in cases where his action would not jeopardize domestic industries. In that regard, there was a House provision to insure that such Presidential action would not be taken in cases where material injury to American firms or workers seemed likely to result. I am hopeful that language can be found which satisfies the Finance Committee's objection concerning the House provision's vagueness, and that this type of authority can be included in the final bill.

Section 126 of title I would condition U.S. trade concessions to developed countries upon a Presidential finding that these countries have provided substantially equivalent concessions to the United States. This provision alters the historic principle of nondiscriminatory or "most favored nation" customs treatment, in which all countries receive standardized treatment. However, that principle already is being violated in many ways by many trading nations. Furthermore, I support wholeheartedly the provision's intent of insuring that no industrialized country will be able to receive a "free ride," by enjoying trade concessions without making concessions of its own.

At the same time, the flexibility of U.S. trade negotiators and the scope of the negotiations could be reduced severely and unnecessarily if this legislative intent is not effected flexibly enough. For example, it could undercut positive multilateral arrangements in which the United States makes concessions to one country but benefits, as part of the same package, from concessions made by a second country. The conferees should be able to improve the language so that the necessary flexibility is provided.

I am also concerned about the lack in title I of any specific statutory requirement for small business representation on the advisory committees for the trade negotiations. Small businesses have a vital interest in our trade policies which may be quite different in some cases from the interests of the industrial giants. For that reason, I am distressed by complaints I have received that the advisory committees set up thus far do not include sufficient small business representation. The Finance Committee's report does seem to ask that this situation be remedied, but more specific statutory language would be preferable.

The legislation gives the President the total discretion to reserve "sensitive articles" from the trade negotiations. This authority could be used in some very positive ways. For example, it could be used to exempt from the negotiations an article which is likely to be the subject of domestic legal action in the very near future, even though it is not subject to such action at that time. However, in view of the necessity for eliminating trade barriers where possible, it is important that the Executive not abuse this authority by reserving articles from the negotiations unnecessarily, perhaps in response to domestic special interest groups. The conferees may be able to improve the provision by spelling out more specifically the circumstances under which the reservations of sensitive articles from negotiations should be made.

I am pleased that title II of the bill before us, which provides relief for industries and workers threatened by increased imports, embodies some of the concepts proposed by Senator PERCY and me in the Trade Adjustment Assistance Act (S. 1156). These concepts include liberalization of the "escape clause" criteria for imposing import restraining mechanisms, such as tariffs and quotas. Another such concept embodied in this bill is the strengthening of the domestic grant and loan adjustment assistance program to help firms, workers, and for the first time, communities, cope with increased imports.

The Finance Committee has liberalized the "escape clause" criteria for tariff increases, import quotas, and orderly marketing agreements to a slightly greater extent than I had proposed. The bill I introduced would have required, as a condition for this type of relief that increased imports be the primary cause of the industry's problems. This bill requires that imports be a substantial cause of such problems.

It is impossible to tell with certainty what effect this bill's import relief provisions which have in terms of importation of trade barriers by the United States. Close monitoring by Congress of the import relief provisions is essential, because the import relief program must strike an acceptable balance between U.S. worker interests, U.S. consumer interests, and the necessity for healthy

economic relations with our trading partners.

Once the Tariff Commission makes a finding that an industry meets the test for escape clause relief, the President is directed by this bill to adopt measures which restrain the imports in question. The House bill would have given the President the discretion to decide whether to grant the import relief at that point. The House bill also specified an order of preference for the various types of import restraining measures, with which I agreed.

While I agree with the Finance Committee that the link in the House bill between a positive Tariff Commission finding and actual provision of import relief is too tenuous, I feel it would be beneficial to give the President some flexibility to refrain from implementing a Tariff Commission positive finding. The President may feel, for example, that particular import restraining measures at a particular time would be likely to be contrary to the national interest once he considers the negative effect on the U.S. position in the trade negotiations, the possibility of a deterioration in trade and other relations with the countries principally involved, the effects on consumers, and effects on the industries and workers in the United States who would have to sustain compensatory trade concessions. One way to improve the present provision would be to allow the President that flexibility, but to link a positive Tariff Commission finding with a presumed necessity for actual import restraining action. This could be done by allowing Congress to override promptly any Presidential decision not to take the suggested action. Of course, such an arrangement would also require a Presidential report to Congress explaining his basis for inaction.

The Finance Committee deleted a House provision which specifically would have allowed the President to reduce or terminate import relief, after seeking certain advice and upon determining that such a reduction of termination is in the national interest. The Finance Committee's bill could be interpreted to authorize this type of action implicitly, but I feel strongly that the necessary authority should be spelled out clearly in the statute. Import relief, although essential in some circumstances to help protect American jobs, generally is detrimental to our consumers and our efforts to secure open export markets. This statute must indicate clearly that it is a privilege given under certain conditions, rather than a right. More specifically, the relief should be used to provide industries impacted by imports a period of time to adjust to import competition. However, the President should be able to terminate import relief prematurely if, for example, the sheltered industry is increasing its prices excessively without making an appreciable effort to improve its competitive situation.

Along the same lines, I strongly believe that the President's report on the trade agreements program and on import relief and adjustment assistance should include an estimate of the cost to American consumers of each import relief action in effect. Our consumers and Government officials should know who is benefiting from import relief at the expense of higher U.S. prices, and by how much. Provision of this information regularly should foster closer monitoring of the import relief program.

One of the fundamental purposes of the Percy-Taft trade bill was to make the domestic adjustment assistance program for workers. Firms and communities substantial and timely enough. We had hoped that this program could become, in some situations, an acceptable substitute for import restraining measures with more damaging domestic effects. The finance committee bill certainly improves the adjustment assistance program in that regard, as I have mentioned.

Of the several areas in which the Finance Committee bill's adjustment assistance program does not go as far as our bill, I am most concerned about its treatment of older workers. The Finance Committee bill would allow workers age 60 or older to receive an extra half year, or a total of 1½ years, of the trade readjustment allowance. Our bill, as a rule, would have continued this eligibility until the worker could receive social security.

The additional eligibility period in both bills is recognition of the particular reemployment problems that older workers are likely to have, but I am concerned that the Finance Committee bill treats this problem inadequately. Furthermore, the 60-year age requirement in both bills may be too high, because serious reemployment problems occur with somewhat younger workers. Of course, this problem and others dealing with workers who have been laid off must be considered in connection with the regular unemployment insurance program, as well as the special trade adjustment assistance program.

In title III, I am concerned about the requirement in section 321 that customs invoices submitted with imported merchandise contain information concerning all subsidies bestowed on the exportation or production of the article being imported, as well as its price in the country of exportation. It seems to me that these requirements may be difficult for importers to fulfill, particularly small businesses without extensive overseas contacts. The conference should explore the magnitude of this problem and delete the provision if the problem is more important than the likely benefits, as I suspect.

As a cosponsor of the Jackson amendment in title IV which ties the granting of nondiscriminatory customs treatment to the U.S.S.R. with a liberalization in that country's emigration policies, I am pleased with the arrangements concerning that issue which have been worked out thus far. I understand the foreign policy reasons why we have not demanded a signed agreement from the Soviets. Nevertheless, they should understand that if the Jackson amendment becomes law, I will join many other Members of Congress in following closely all the results of the agreement implemented and considering related future legislation accordingly.

Section 406 would allow the President to take action restraining imports from a Communist country whenever that country's imports are being or likely to be imported into the United States in such increased quantities to be a significant cause or threat of material injury to a domestic industry. This provision was added for Communist countries, rather than reliance on the escape clause relief and unfair trade practices sections of the bill to deal with any import problems, in recognition that Communist countries could manipulate exports to penetrate a particular market to a greater extent than countries with "market economies." I consider a provision along these lines to be essential. However, the House provisions' requirement that such imports be offered at prices substantially below those of comparable domestic articles would seem to differentiate between this particular problem and an unwarranted increase in general protectionism when imports from Communist countries are involved. This type of requirement should be added to the Senate bill's test for market disruption.

Two provisions of title IV, concerning cooperation on accounting of U.S. personnel missing in action in Southeast Asia and repayment by Czechoslovakia of post-World War II obligations to U.S. citizens, condition normal U.S. trade treatment upon specific unrelated political actions. Similarly, title V of the bill, which grants preferential tariff treatment to the imports of developing countries, contains several political conditions on such treatment. The conditions in that title in particular have been criticized heavily. The United States is the last developing country to fulfill a pledge to grant this preferential treatment and the only one to attach these types of conditions upon it.

Virtually all of these conditions express serious legitimate concerns about the actions of our potential trading partners. I definitely support some of them, such as the prohibition against granting preferential tariff treatment to OPEC countries. However, I urge the conferees to reexamine these conditions, in particular the ones concerning matters such as reimbursement by Czechoslovakia of post-World War II U.S. claims which do not relate directly to international trade, to determine whether the actions contemplated by this bill would contribute effectively to all the foreign and economic policy ends we are seeking.

Section 607 of the bill's miscellaneous title, added at the State Department's request, deserves additional attention. It would grant antitrust immunity to those parties who participated in the voluntary restraint agreements for steel of 1968 and 1972. These agreements limited the export of steel to the United States.

Although I have had some reservations about the informal role of the U.S. Government in securing the agreements, I can accept the committee's rationale that the proposed exemption is needed to protect foreign steel producers. These producers were led by our Government's participation in the negotiations to believe that the voluntary restraint arrangements would not violate U.S. law.

Nevertheless, whatever case there was at the time the arrangements were initiated for the informal role our Government played should disappear with the enactment of the Trade Reform Act. With trade negotiating authority restored to the executive and with much more realistic import relief provisions on the books, the executive ought to be able to provide sufficient import relief through the channels and standards Congress has defined. Informal initiatives which circumvent those channels and standards should not be necessary again.

Because I have dwelled at length on my concerns with the bill in the hopes that they can be remedied where possible, I should emphasize at this time that I believe the Finance Committee made many valuable and constructive changes in the House bill. I commend that committee for its work and for bringing the bill before us for debate.

I have been distressed that many in organized labor, both in Ohio and throughout the rest of the Nation, have expressed strong opposition to this bill. If I felt the bill would have the extremely detrimental effect on American jobs that many of those citizens are convinced it would have, I would have no choice other than to vote against the Trade Reform Act. However, I have already explained why I feel that the trade negotiating authority and authority to retaliate against unfair trade practices will help provide Americans with export-related jobs. I have also indicated my judgment that negotiating for access to the world's raw material supplies; authority for retaliation against unfair trade practices; and provision of liberalized criteria for import quotas, increased tariffs and loans and grants to help import-affected workers and industries; will guard domestic jobs more effectively than present law.

There is no question that there have been some results unfavorable to the United States as a result of past trade negotiations, and that past U.S. Government actions—or inaction—to provide import relief and to insure fair international competition have been insufficient. This time, however, the executive has the clear directive from Congress not to make the same mistakes again, with the laws needed to carry out that authority. We will be watching the administration closely in that regard. For example, I have no doubt that any trade deal concerning nontariff barriers in which the United States would make disproportionately large congressions will be rejected resoundingly by the Congress.

The need to retain and expand export-related jobs has a particular meaning for Ohio's work force. Ohio ranks first among the 50 States in the importance of export employment in manufacturing establishments and second in the value of manufacturing for export. Almost 67,000 Ohio jobs are in the manufacturing for export category. While it is true that our manufacturing trade balance was eroding steadily for many years, this situation has now turned around and the 1974 U.S. balance of trade in manufacturing is expected to show a $10 billion surplus. The importance of this figure certainly should not be overestimated, but it does provide a strong measure of hope that a continued expansion in international trade will be a major plus for America's work force even in the import-troubled manufacturing sector.

Ohio also produced agricultural exports worth almost $560 million in fiscal 1974, which accounted for more jobs in that sector.

I realize that several nongermane amendments will be offered to this bill. Because of the bill's importance, I may vote against amendments I would otherwise support if I feel that they would impede its passage. In particular, I believe that some reforms in the taxation of multinational corporations are appropriate and I realize that this is a subject closely tied to the matters addressed by the Trade Reform Act. However, it seems to me that attempts to add such tax provisions to this bill, in the last days of the session and without prior committee or House consideration, would be more likely to kill the trade bill than to result in important and constructive legislation.

The Trade Reform Act is "must" legislation, for this year. The Senate will be to blame for the setback to American workers, American consumers and our efforts to promote international cooperation in a troubled world if we do not treat the bill accordingly.

Mr. MONDALE. Mr. President, this is an historic day, not only for our relations with the other industrialized market economies of the world for whom this trade bill will provide a framework for greater cooperation in the face of economic adversity, but also for our relations with the Soviet Union and other nonmarket economies.

A key to growing economic cooperation between the United States and the Soviet Union has long been the question of emigration. I was quite pleased and satisfied by the agreement reached in Washington last October on this question.

In a recent visit to the Soviet Union, I discussed this issue extensively with the Soviet leaders and with Soviet Jews who had been hoping to emigrate, many of them for many years. It was abundantly clear, particularly from the standpoint of the Jewish leaders, that passage of this trade bill is an essential ingredient in their being able to realize their hopes of emigration.

I met with quite a number of potential Jewish emigrants. In particular, I talked with Viktor Polsky, Vladimir Slepak, Alexander Lerner, as well as others. All of these men are prominent scientists. And all of them have been turned down, often with the excuse that their work had something to do with security and that, therefore, they would not be permitted to emigrate.

The letter from Dr. Kissinger recognizes the legitimacy of withholding permission to emigrate on the grounds of security. This is understandable. But it must not be abused. And I am gratified that the letter makes it explicit that there should be no more than a 3-year waiting period for such cases and that a definite time period should be set for those who must wait for such security reasons.

The emigration agreement also contemplates that priority attention and expeditious treatment will be given to those who have waited for a long period of time. Mr. Slepak, with whom I spoke at length, has been waiting for many years and is now considered the potential emigrant who has been held back the longest. I hope he will get expeditious treatment. I also hope that Mr. Lerner will get expeditious treatment along with others who have been waiting for so long—many without jobs, to realize their dreams of emigrating to Israel.

I am also concerned about harassment which is continuing at this very moment. Even today, as we are considering this very important bill, Mikhail Shtern, a doctor in a small town in the Ukraine, is on trial on clearly trumped-up charges that he attempted to poison children under his care. The public prosecutor in his town said openly that he was being prosecuted because of his desire to emigrate to Israel. The KGB has made an enormous effort to find witnesses to testify against Dr. Shtern. But because of his great reputation in his hometown, no one has been willing to do so. Dr. Shtern faces the possibility of 20 years imprisonment on these charges and others which have been levied against him. I raised Dr. Shtern's case directly with the Soviet leaders, who said they would look into it. But so far, all they have managed to do is postpone the trial until this week, which is not only, as I said a moment ago, the week are considering the trade bill, but also it is the anniversary of the U.N. Declaration on Human Rights.

I am very concerned about this particular case. And I believe it points up the crucial issue of how we monitor this agreement. It must not be treated as a cosmetic agreement. I told Soviet leaders and, I want to emphasize for the RECORD today, Mr. President, the importance of Soviet compliance with the terms of the agreement and to end the harassment for those wishing to emigrate from the Soviet Union.

Mr. HUGH SCOTT. Mr. President, in view of our current debate on the trade bill, I have written to the President today urging that he make a "public statement of positive interest in potentially affected U.S. industries."

Mr. President, for the interest of my colleagues, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE MINORITY LEADER,
Washington, D.C., December 13, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I agree with you that the Trade Reform Legislation should be first priority for the Congress in the final days of this session. I will work with the leadership to push for final action on the bill.

It has been suggested that further action by you could accelerate the process. Over the last several weeks I met with members of various labor organizations who are deeply concerned about possible dislocations in particular industries. Potential harm exists, for example, in our domestic textile and clothing industries, which are already hard

pressed. This applies also to shoes, steel and other affected industries.

Under the legislation you will have power to choose products to be included and to determine instances where sensitive products can be excluded from the dropping of tariff and non-tariff barriers. An announcement from you that you will carefully assess the effects on American industries very susceptible to any tariff fluctuations might alleviate the dissatisfaction of our workers in these important industries. I know you cannot make commitments for specific action prior to passage of the legislation, but your public statement of positive interest in potentially affected U.S. industries would, I believe, tend to accelerate action in the Senate.

Please be assured I will continue to work for passage of the Trade Bill.

With best wishes.

Sincerely,

HUGH SCOTT,
Republican Leader.

Mr. MONDALE. Mr. President, I should like to ask the floor manager several questions relating to the countervailing duty section of the bill, and to any agreements which might be entered into regarding import quotas under section 22 of the Agricultural Adjustment Act.

The committee report states:

The Committee also understands that existing administrative authority will not be used to implement any agreement resulting from trade negotiations entered into under this Act which affects the application of Section 22 of the Agricultural Act of 1933, as amended. It is further understood that any trade agreement which would alter or amend section 22 of the Agricultural Adjustment Act, or affect the application thereof, would have to be submitted to the Congress as would any other agreement under Section 102, and be approved by both Houses of Congress under the positive approval procedure before it could become effective as U.S. law or administrative practice.

I would just like to be absolutely clear on this point: that under the provisions of section 102 as adopted by the Finance Committee and defined by both the committee and the administration, any agreement which would affect agricultural import quotas would have to be submitted to the Congress for affirmative approval, whether or not the administration already has the authority to alter such quotas.

Mr. LONG. The Senator from Minnesota is correct on this point. The administration provided assurances to the committee that under section 102 any agreement affecting section 22 import quotas would be submitted to the Congress for affirmative approval. Furthermore, any agreement affecting any nontariff barriers negotiated under section 102 must be submitted to the Congress for approval by both Houses.

Mr. MONDALE. On another point, the Senator from Louisiana is familiar with the provisions of section 331 of the bill dealing with countervailing duties. In its consideration of this section the Finance Committee attempted to carefully circumscribe the very broad grant of discretion contained in the bill approved by the House of Representatives. The Senate did, however, approve a strictly limited form of discretion to be exercised during the first 2 years of the negotiation. The committee set forth two conditions which must be met—first, that adequate steps had been taken to reduce substantially or eliminate the adverse effect of the bounty or grant; and second, that there was a reasonable prospect that successful trade agreements would be entered into, under section 102, providing for the reduction or elimination of subsidies and other distortions of international trade, and that the imposition of duties would be likely to seriously jeopardize the satisfactory completion of the negotiations.

I believe that the committee intends that these provisions be interpreted literally, and that a minor reduction in the subsidies paid by an offending country would not meet the requirements of the act. Furthermore, even if the subsidy had been largely but not totally eliminated, the Finance Committee would have an opportunity to receive the arguments of the affected U.S. industry, and if that industry could present evidence to show that it was still being injured, could recommend that the Senate by majority vote force the imposition of countervailing duties. Am I correct in this understanding.

Mr. LONG. The Senator from Minnesota is absolutely correct in his interpretation. Either the Senate or the House of Representatives could overrule by a simple majority a decision by the Secretary of the Treasury not to countervail. It was not the committee's intention to hand the Secretary of the Treasury a blank check to countervail or not at will.

Now, there are several amendments pending which would further amend this section. I may want to vote for them. But I want to listen to the arguments on both sides. Maybe they have some merit.

Mr. MONDALE. I thank the Senator from Louisiana.

Mr. STEVENSON. Mr. President, I want to commend the distinguished chairman of the Finance Committee for his tireless efforts to develop and secure passage of the trade bill. As the distinguished chairman knows, the trade bill contains a number of provisions dealing with export controls and the extension of credits by the Export-Import Bank to nonmarket countries. Both are matters in which the Banking Committee has been deeply immersed over the past year and a half and which, of course, traditionally come within the Banking Committee's jurisdiction.

When the Banking Committee was considering export control legislation last summer, it agreed to defer consideration of provisions relating to the use of export controls for retaliatory purposes and instead to seek a referral of the trade bill for consideration of any export control matters which it might contain. The lateness of the session when the trade bill was reported, of course, made such a referral impossible without causing a delay in its consideration on the floor. In our desire to see speedy passage of the trade bill, no referral was sought. However, I would hope that the distinguished chairman of the Finance Committee would be willing to cooperate with the Banking Committee in any future consideration or review of agreements or other matters pertaining to export controls which may eventuate from passage of the trade bill.

With respect to the Export-Import Bank, the distinguished Senator from Louisiana knows that the Banking Committee has labored hard and long to develop an Export-Import Bank bill. That bill is now pending before this body. One of the most controversial issues we have considered in connection with that legislation is that of credits to the Soviet Union and other Communist countries. The trade bill, of course, conditions future credits to nonmarket countries on the making of certain findings by the President and approval by the Congress. At such times as such reports are made to the Congress, I would hope that the distinguished chairman of the Finance Committee would recognize the role of the Banking Committee in these matters and that both committees could cooperate in their consideration.

Mr. LONG. I recognize the jurisdiction of the Banking Committee in both of the matters you have mentioned and applaud the Banking Committee's efforts to deal with these difficult issues. I see no reason why the two committees cannot fully cooperate with one another in all matters pertaining to export controls and Export-Import Bank credits which arise pursuant to, or as a consequence of, matters contained in the trade bill. I intend to make every effort to see that such cooperation is achieved.

Mr. PACKWOOD. Mr. President, no life can be measured in terms of dollars and cents. Give me a cost estimate for a smile, a knowing nod, a warm hand held in the middle of a cold December. Price for me the worth of a returning father, a husband, a son, or a brother and then multiply that impossible figure by 1,200—the nearly 1,200 Americans listed as missing in action.

Mr. President, there can be no compensation for the families of our MIA's but one. There can be no measure of relief except accountability. Without exception, however, each and every time I have risen on the Senate floor to speak to this issue, the bottom line has invariably read, "No progress has been made." The Communists remain silent, stolid as a stone wall. What is holding them back? I simply do not understand it, particularly when all we seek is information. It could be contained on 50 written pages, but not a word, not a single word has been received.

If we are not convincing enough, if years of this Nation's heartache and concern is not reason enough, then we shall enlist others to wrest the whereabouts of our MIA's from their captors.

Money cannot fill the void in the lives of MIA families. We know that. But money translated to trade can speak to other nations of the world. By approving this bill, we will deny most-favored-nation status to any Communist nation that fails to cooperate with the United States to achieve a complete accounting of all American personnel who are missing in action in Southeast Asia. If in the past, reason has not prevailed with these nations in persuading them to communicate the necessity for accountability

to their comrades, then let them now ponder the undesirable prospect of denied trade to their nation and people.

We must speak in every language at our disposal. We have tried reason; it is a foreign tongue to the Communists who remain silent. So now, let them hear our trading doors close and, before the last reverberation has a chance to echo, I hope, finally, the Communists will understand our resolve and respect our wishes.

Mr. MONDALE. Mr. President, I should like to discuss a particular provision in the trade bill, specifically section 104 dealing with sector bargaining.

Sections 103 and 104 of title I were adopted by the committee to give clear legislative direction to the special trade representative as to the U.S. negotiating objectives he should pursue.

Section 103 states the overall U.S. objective under sections 101 and 102: To obtain more open and equitable market access and the harmonization, elimination or reduction of trade barriers and distortions. I want to emphasize the word "harmonization" because I will refer to it later in these remarks. Section 103 also provides that, to the maximum extent feasible, the harmonization, elimination or reduction of agricultural trade barriers and distortions should be undertaken in conjunction with the harmonization, reduction, or elimination of industrial trade barriers and distortions. This provision was added by the committee on recognition of the concern of some agricultural interests that the forthcoming multilateral trade negotiations might concentrate so heavily on tariff and nontariff barriers and distortions in industrial and manufacturing sectors that inadequate attention would be given to negotiations on agricultural barriers and distortions.

Thus the term "in conjunction with" in section 103 means that the special representative should neither be deterred from an agricultural negotiation nor forced into what would amount in effect to two discrete negotiations—one for industry and one for agriculture. He must make a good faith effort to initiate and sustain negotiations in both areas, with the expectation that progress in one area could facilitate progress in the other.

It is important to note, however, that section 103 in no way requires that agricultural and industrial negotiations must be held or concluded simultaneously or that agreements in one are a condition precedent to agreements in the other. The committee considers it likely, and in fact, desirable, that a series of agreements affecting various products and commodities will be entered into at different times during the course of the negotiations, and section 103 in no way constrains such negotiating results.

Section 104 is the so-called product sector negotiation provision of the bill. It states a principal U.S. negotiating objective of equivalency of competitive opportunity for various product sectors of manufacturing and for the agricultural sector. It also states that to the extent feasible, and to the extent consistent with other U.S. negotiating objectives, negotiations shall be conducted on the basis of appropriate product sectors of manufacturing. Finally, section 104 requires the President, in certain circumstances, to report, at the time he submits to the Congress a proposed trade agreement, the extent to which the product sector negotiating objective has been achieved.

Section 104 recognizes the forthcoming multilateral trade negotiations, if they are to be effective in behalf of expanded world trade, must focus on a wide array of barriers to trade in given product sectors. Those barriers range variously from tariffs to classic nontariff barriers—such as quotas and preclusionary nationalistic or regional preferences—to distortive export aids and incentives. The committee thinks that one realistic way to try to break down a conglomeration of barriers is to negotiate within a sector context where the criterion of equivalent competitive opportunity can be genuinely tested by the particular circumstances of that sector.

Accordingly, section 104 directs the special representative to analyze a given product sector in terms of the aggregate barriers impacting the sector and to negotiate their elimination, reduction or harmonization toward the objective of equivalent competitive opportunity for U.S. goods in that sector, where use of the sector negotiation technique is appropriate, including those industries specified in the committee report.

The question then arises as to what the special representative should and can do if it is not feasible through negotiation to obtain elimination or reduction of trade barriers. In such cases, section 102 authorizes the special representative to "harmonize" those barriers. This means that he could withhold further U.S. concessions in trade sectors where U.S. products, on balance, are presently disadvantaged by foreign barriers. Taken together, sections 103 and 104 say that the special representative need not and, to the maximum extent consistent with other negotiating considerations, including the overall U.S. negotiating objective, should not give concessions in one product sector where the United States is already disadvantaged in order to gain concessions in other areas.

Section 104 should not, of course, be construed to limit the special representative's negotiating flexibility to obtain the best deals he can for the American economy. Two observations are pertinent to this point: First, not all sectors of U.S. manufacturing lend themselves to a sector negotiations, and second, sector negotiations are not mandated and, conversely, cross-sectoral negotiations are not precluded.

Mr. PELL. Mr. President, I am strongly opposed to section 408 of the trade reform bill which denies Czechoslovakia MFN treatment and credits for purchasing American goods until that Government settles American compensation claims at 100 cents on the dollar. The provision also holds up the return of 18 tons of Czech gold seized by the Nazis until this condition is met. The section is obviously intended to increase the level of payments which U.S. citizens would receive for property nationalized after World War II. I agree with the sponsors of the section that we should do all that we can to assure that our citizens receive adequate compensation for their property. I doubt, however, that passage of this particular provision would have that result. On the contrary, I only see it frustrating that objective.

The United States and Czechoslovakia reached a claims settlement last July. This is the second attempt following the rejection of an agreement initialed ad referendum in 1964. The present agreement calls for payments to U.S. claimants of approximately 42 cents on the dollar on the principal of their adjudicated claims. There would be an initial downpayment of $4 million with the balance—$16.5 million—spread over a 12-year period. An accelerator clause, however, could further reduce the payment period to 7 to 8 years.

This agreement is the most favorable settlement the United States has concluded with Eastern European countries in recent years. Even though it does not give U.S. claimants all they would like, it will permit payments to begin as soon as the agreement enters into force. Since many of the claimants are elderly persons, this is an important consideration. On the other hand, if the agreement falls through, payments would be further delayed.

The agreement has other benefits. Czechoslovakia would pay in full—100 cents on the dollar—its surplus property debts to the United States which amount to more than $7 million including principal and interest. These debts were incurred in the immediate postwar period. The Czechoslovak Government would also undertake to negotiate with U.S. holders of defaulted prewar bonds. These bonds were originally valued at $2.7 million.

Mr. President, by withholding Czech gold, it is the aim of section 408 to pressure the Czechoslovak Government to make a more favorable claims settlement. The gold is currently worth $100 million, and the Czechoslovaks might therefore be inclined to pay more to get the gold back.

It is also argued that we should just take the gold and sell it ourselves to pay off claimants.

Why can we not do that? First, the gold belongs to Czechoslovakia. Under an international agreement, the United States, the United Kingdom, and France act as custodians of the gold, but have no legal title to it. We have a specific international obligation to return it. By what legal authority could we simply seize the gold?

Second, we should recall that this gold was looted by the Nazis while Czechoslovakia was our ally. The Czechoslovak people, both Communists and non-Communists alike, attach great symbolic as well as monetary importance to the gold and would react most strongly if the United States were to use it as a bargaining level to extract further concessions. This explains why the Czechoslovaks haxe been willing to wait so long for its return, and it is my guess that they will

wait as long as need be. Continuing to withhold the gold, therefore, is not likely to make the Czechs more amenable to new claims negotiations and can lead to a deterioration of our relations with Czechoslovakia.

I raised this issue with Secretary of State Kissinger when he appeared before the Senate Foreign Relations Committee on September 19. I said then that detent involves not only our relations with the Soviet Union, but also our relations with Eastern European countries. I considered the move to derail the agreement as inconsistent with the spirit of détente. The Secretary agreed and described section 408 as unfortunate and counterproductive.

I must agree. As I see it, acceptance of section 408 would set back our relations with Czechoslovakia just when they have begun to improve. In 1973, the United States signed a Consular Convention with Czechoslovakia and begun the negotiations on the claims question.

It is hoped that the claims agreement will lead to further progress in other areas. We can, for example, look to a considerable expansion in profitable trade and contacts with Czechoslovakia. Section 408 threatens to reverse this favorable trend and weaken East-West détente with no real benefits accruing to the claimants.

Mr. President, I am not proposing an amendment to eliminate what I consider a flaw in the bill. I earnestly hope, however, that before final passage of the bill, section 408 will be struck from it.

Mr. PACKWOOD. Mr. President, I make the following remarks in reference to the Trade Reform Act of 1974:

I. WORLD TRADE AND OREGON

Expansion of world trade in general and of trade in argicultural products in particular are of increasing importance to the growth of Oregon's economy. The worldwide economic uncertainty facing the world today could result in substantial problems for the economy of the Nation and Oregon. Should other countries' economies suffer a serious slowdown, American exports can be expected to be reduced substantially.

Coupled with the credit crunch in this country which is causing severe cutbacks in Oregon's No. 1 industry, wood products, a reduction in opportunities for export of agricultural and manufactured products would place the State's economic well-being in real jeopardy. Agricultural demand appears to be high, but retains its potentially cyclical nature. Famine, a poor Soviet grain harvest, and a worldwide economic boom have combined to virtually empty America's granaries. In our increasingly interdependent world, the prosperity of Oregonians may be as closely tied to the weather in the Ukraine as it is to national monetary policy or local conditions. High demand for Oregon's agricultural and manufacturing output that is built on détente and a rapid rate of world growth is a tenuous situation at best.

All of this is to say that Orgeon and the Nation have a vital stake in preserving a world of open trade and financial stability. The Trade Reform Act of 1974 will furnish the President with ample authority and opportunity to bargain effectively with other nations to secure greater access for American and Oregonian agricultural and manufacturing output.

II. BEGGAR THY NEIGHBOR, BEGGAR THYSELF: THE LESSONS OF HISTORY

The power of an idea is always hard to measure. The once heretical notion that trade between nations made both nations stronger and richer has been two centuries fighting for acceptance. It is still not fully honored in many quarters. A subtler, even more important proposition—that competitive trade can lead to peace—has had an even harder journey from pen to popular thought.

Yet 20th century history is a textbook on the havoc economic policy can bring. The post World War I reparations pressures on Germany may have satisfied the demands of the victorious allies, but their implications for the Germany economy and society were simply ignored by the major policy makers. The Hoover administration in the United States closed the tap too quickly and too tightly on the money supply—precipitating the great crash at home and a worldwide depression.

In 1930, Congress compounded the economic difficulties by enacting the highly protectionist Smoot-Hawley Tariff. Foreign trade fell precipitously and America's share in that trade fell even further. The result was sharpening of depression both at home and abroad.

The impact of the Great Depression, heightened by a virtually universal turn toward protectionism, sent economic shock waves around the world. Small Brazilian towns were cast into economic penury. Stalin turned toward autarky and away from a seemingly chaotic capitalism. Germany was cast into even darker despair.

III. WORLD WAR II RECOVERY: THE HOUSE THAT TRADE BUILT

Following World War II, the United States was virtually the only industrial economy with her manufacturing plant intact. Victor and vanquished alike had suffered tremendous material losses.

Although the Soviet Union moved quickly to put Eastern Europe as well as herself beyond the ambit of western reconstruction, Western Europe and Japan were open to American initiative. The United States made increased trade one of the cornerstones of her policy.

In the late forties, there emerged a structure for world monetary stability and international trade. Balanced to allow European industry to recover and export, the general agreement on tariffs and trade—GATT—was established and has proved to be a remarkably successful instrument.

Throughout the decade of the 1950's and the 1960's international trade grew rapidly. In addition, there was an unprecedented flow of private foreign direct investment capital from the United States to the rest of the world, particularly to Europe. World GNP grew apace and the economies of Western Europe and Japan experienced a more than rapid recovery.

The original basis for American participation in GATT was the Reciprocal Trade Act of 1934. Renewed 11 times, the Reciprocal Trade Act steadily eroded the barriers to world trade. From 1934 to 1961, there was a 15-fold increase in the value of American trade. The Trade Expansion Act of 1962 marked a second major American initiative in world trade. Concluded in 1967, the Kennedy round of trade negotiations reduced tariffs covering some $40 billion in world trade.

By focusing on world trade as a major instrument of foreign policy, the United States encouraged European and Japanese economic development to take full advantage of the economies of scale that were dictated. The success of reconstruction eased the dissolution of colonial empires and dampened the possibility of further military adventures.

IV. SOME SEEDS OF CHANGE

Few man-made structures are meant to endure forever—and such was the case with the post World War II economy. Based on fixed exchange rates, a strong dollar, and the dominance of the American economy, the very success of the system created serious strains.

First, the United States felt an almost continuous pressure to maintain a reasonable balance of payments posture while still being responsible for world liquidity. That spelled problems.

Second, the massive flows of capital and technology from the United States to Europe tended to erode the comparative advantage that the United States had enjoyed in a number of manufactured items.

Third, the GATT treaty itself failed to deal with a number of significant barriers to trade. Nontariff barriers were allowed to proliferate in a variety of forms. The GATT code permitted the rebate of direct taxes—such as sales taxes—on exports while forbidding the rebate of indirect taxes—such as income taxes. This particular system worked to the advantage of European exports where direct taxes were far more important than in the United States.

Fourth, the existance of fixed exchange rates made possible a number of distortions. Given the economic tools available to any nation state, an aversion to domestic inflation could lead to an exchange rate being seriously undervalued. The opposite seems to have occurred in the United States during the Vietnam era. A high rate of domestic inflation made American goods ever more costly—and imports that much more enticing.

Fifth, there was the emergence of large trading blocks. The European Economic Community precipitated a host of imitators around the world. Although the EEC and similar organizations may or may not decrease world trade—depending upon whether more trade is created within the organization than is diverted from nations outside the group—the potential for abuse is abundant. The United States, with its marked comparative advantage in agriculture, was bound to be affected by the Community's common agricultural policy—CAP.

The final upshot of these pressures was the so-called Nixon shock of 1971. Cut-

ting the dollar free from a fixed rate of exchange, ending the convertibility of foreign currency into gold and imposing a temporary 10-percent duty surcharge on imports—the change in policies signaled the end to an era.

FREE TRADE—GONE FOREVER?

Does the end of the post World War II era also spell the end of free trade? The danger signs are all around us. Throughout the 1960's, protectionist sentiment grew rapidly in the United States. There were consistent cries for quotas on shoes, textiles, electronics, steel, and a host of other goods. AFL-CIO became a prime sponsor of the Hartke-Burke bill—a measure that would have imposed comprehensive import quotas on the American economy. In 1962, the AFL-CIO backed the Trade Expansion Act.

The Nixon administration followed the Nixon shock with restrictions on the export of soybeans last year. Although taken largely with an eye on the domestic price level, the action had rather serious international implications.

And then came the oil shock. America felt the impact in long gas lines, an extra jolt of inflation and the first negative trade balance in 20 months. But the rest of the industrialized world was far more vulnerable. Italy, caught on the verge of national bankruptcy, moved to restrict imports—from her Common Market partners. Britain is almost as badly off—and lacks any firm political leadership. France has broken out of the Common Market monetary accord and has decided to allow the franc to float downward. Japan may yet be forced to follow a similar tack.

Oil exporting countries will receive billions of dollars from the oil-consuming countries—only a small portion of which will return in the form of payments for imports. As balance-of-payments deficits emerge and increase, the possibility exists that countries will return to an export-or-die philosophy. Already Western European nations and Japan have been rushing to make bilateral trade arrangements for oil.

Current Treasury estimates put the total 1974 oil revenues of the OPEC countries at somewhere near $80 billion. This contrasts with $25 billion in 1973 and only $15 billion in 1972. A trebling of oil revenues in 1 year—a more than sixfold increase over 2 years. After subtracting the value of imports and adding on nonoil export earning of the oil-producing countries—OPEC—the Treasury estimates that the OPEC countries will have some $55 billion available for investments in 1974.

The impacts of this rise in prices are all around us. Rising prices and slowing economies in the industrialized nations. But disaster, possibly even famine, for the poorer developing countries that are hit by high fuel costs and high prices for petroleum-based fertilizer at the same time. Beyond these pressing problems looms a growing financial dilemma—what to do with all those "petrodollars."

From the earliest days of the energy crisis, the petrodollars began to trickle back to the industrialized world. They came as purchases of goods and services, bank deposits, acquisition of short-term securities, portfolio investments, and in some instances direct investments.

The varied nature of the OPEC countries has to some extent determined the pattern of each country's investments. Those with large, relatively poor populations—Indonesia, Iran, Venezuela—can be expected to tip their expenditures in the direction of immediate consumption and future economic development. Some of the richest in oil, Saudi Arabia, Kuwait, and Libya, have small populations and a limited capacity for short-term economic growth. Their earnings will be spent only partially on imports.

Overall, the normal processes of trade will absorb only a portion of the new oil earnings. The U.S. Treasury estimates that OPEC countries will import about $30 billion in goods and services during the course of 1974. Some of these purchases will be for immediate consumption, foodstuffs and the like, others will constitute investment for future economic growth.

Furthermore, the oil-producing countries have made a number of commitments to developing countries and such multilateral lending institutions as the World Bank. According to U.S. Treasury estimates, up to $15 billion may have been committed to these sources. The terms and timing of the commitments vary widely. Some are soft loans, others are grants, and still others entail the purchase of World Bank securities. Although exact figures cannot be obtained, the Treasury estimates that by August of 1974, about $3 billion had already been committed to development countries.

Despite the difficulty in getting exact figures, the basic three-fold nature of the financial problem is clear for all to see. First, there is the sheer volume of funds involved $80 billion in petrodollars in 1974 alone. That sum amounts to almost three-fourths of the book value of all the U.S. direct investments abroad—investments that have been made over the course of a half century.

Second, there is a tremendous imbalance in the flow of funds growing out of the need to recycle the petrodollars. The greater part of the goods and services purchased by OPEC countries is coming from the stronger of the industrialized countries. These same countries—the United States and Germany and to a lesser degree Japan, France, and the United Kingdom—will receive the bulk of OPEC investment funds. The rest of the world—the less stable industrialized countries—are faced with a choice of devastating cutbacks in oil consumption or rapidly escalating debt.

Third, there is the problem associated with the fact that petrodollars are largely invested in short-term deposits with banking institutions or on the Eurodollar market. A substantial portion of the petrodollars available for investment presently are going into demand deposits with a life of only a few months and it is not uncommon for large amounts of oil money to be deposited in a bank before closing in the afternoon and withdrawn the next morning. On the other hand, the borrowing needs of oil-consuming nations, particularly nations like Italy and many developing countries, are for long-term funds with a repayment schedule over a period of years.

This arrangement is tenuous, at best, and dangerously volatile, at worst. Means must be developed to encourage oil-producing nations to invest their surplus funds in longer-term instruments that will make it safer to recycle those investments for use as backing of long-term loans. Already, the United States has made an effort to encourage just such an approach to investment by the OPEC countries. Treasury is encouraging the OPEC countries to invest in long-term Government securities in particular. If these overtures prove successful, then we ought to pursue the possibility of other long-term investments by the oil countries.

Needless to say, some observers believe we are seeing the end of an era that brought a great deal of prosperity and at least a measure of peace to much of the world. I am not inclined to that view.

VI. POSITIVE MOVEMENTS CONTINUE

As this chaos swirls about us, I see some other, more positive signs to indicate that all is not lost.

The Common Market, although severely scarred by the worldwide scramble for oil supplies and financial imbalance, has remained substantially intact. Negotiations with the United States have continued and there was recently an accord lowering industrial tariffs in Europe in payment for the agricultural markets America lost when Great Britain joined the Common Market.

Also, there was the little-noticed, less-praised, stand-still agreement reached by the OECD countries earlier this year. The stand-still agreement is an accord to refrain from any special import restrictions or export subsidies for at least a year to give everyone a chance to get his bearings after the last few chaotic years the world has undergone in trade and investment. Particularly at this time, when we read blaring headlines about what this and that country is doing to better its position in international competition at the expense of its neighbors, the stand-still agreement is a clarion signal that all is not lost. The industrialized nations of the Western World still recognize that "beggar thy neighbor" is a policy of short-lived benefit and long-term disaster.

Another promising factor is seen in the overall growth of international trade in spite of the substantial disruptions that have occurred in recent years. Total exports of all countries last year increased by 37 percent over 1972 to a record $566 billion.

Obviously, a sizable portion of that increase is due solely to increases in the prices paid for the exports, but even the rise in constant dollars is impressive—13 percent—and is just about double the increase of the world's gross national product during the same period. Clearly, nations are practicing ever more closely the lesson of comparative advantage taught 2 centuries ago by Adam Smith in his "Wealth of Nations."

In short, nations are exporting increasingly large proportions of their production and importing ever larger portions of their goods for consumption. Such is the essence of free and open trade. The following tables display the rapid growth in world trade over the last several years.

WORLD TRADE

[In billions of U.S. dollars]

	1960	1965	1972
EXPORTS[1]			
Total	129.6	188.5	416.5
United States	20.6	27.5	49.8
European Community	42.3	64.7	154.9
Of which: United Kingdom	10.6	13.7	24.3
Japan	4.1	8.5	28.6
Other developed countries	19.5	29.0	66.9
Less developed countries	26.9	35.7	71.7
Communist countries	16.2	23.1	44.6
China	2.0	2.0	3.1
U.S.S.R.	5.6	8.2	15.4
Other	8.6	12.9	26.1
IMPORTS[2]			
Total	135.8	198.7	431.2
United States	16.4	23.2	69.0
European Community	45.1	69.2	154.5
Of which: United Kingdom	13.0	16.1	27.9
Japan	4.5	8.2	23.5
Other developed countries	23.8	37.4	76.9
Less developed countries	29.6	37.6	71.4
Communist countries	16.4	23.1	45.9
China	2.0	1.8	2.8
U.S.S.R.	5.6	8.1	16.0
Other	8.8	13.2	27.1

[1] Data are f.o.b.
[2] Data are c.i.f.

Source: Council on International Economic Policy.

And of even greater promise are the ongoing commercial negotiations between the United States and the Soviet Union. The vision of great promise that permeated our debate on East-West Trade in 1971 has, I fear, deteriorated to an alarming degree into a feeling of disillusionment that progress in our trading relations with Communist Countries has been so slow in developing. This disillusionment is coupled for the most part with a disenchantment over the general prospects for detente as a means by which political as well as economic relations between America and the Communist Countries can lead to a condition of relative calm and normalcy.

This nation has embarked upon a path leading to improved commercial relations between ourselves and the Communist Countries. For some time, the Senate has been considering legislation dealing with and the questions associated with East-West Trade. One of our principal concerns has been the manner in which we, as a nation, will continue to assist in the development of trade with all nations, including Communist nations.

I am increasingly concerned that there are some among us in this nation who would single out trade with Communist Countries to be retarded or, worse yet, stopped. Nothing could be more damaging than were we to fall victim to the siren song of those who would have us retreat from the path of improved commercial relations with the Communist Countries.

The going is slow on this path—agonizingly so at times. Nevertheless, I am convinced the rewards of perseverance will in due course redound to the benefit of all people, at home and abroad.

VII. THE TRADE REFORM ACT OF 1973

Each of these promising signs is, however, little more than a line of sand-bags protecting the world against a rising river of protectionism—a river that is dammed up a few miles upstream because of the failure of the United States Congress to forge the anvil with which the United States can assist in the development of a better plowshare for world trade. I am speaking of the Trade Reform Act of 1974.

The House of Representatives has sent to the Senate a remarkably resiliant and responsive piece of legislation. Its resiliance will ensure that the executive has sufficient flexibility in the law to enter into the complex and demanding negotiations in GATT. It is responsive in the sense that it recognizes the need for the Congress to exercise a voice in the trade development process.

As approved by the House of Representatives last year, the Trade Reform Act of 1974 constitutes the first major trade legislation in over a decade. The measure would give the President broad authority to:

Reduce tariffs and other barriers to world trade.

Give American labor and industry increased protection from foreign competition and provide more generous benefits to workers made jobless by imports. Take sweeping and selective actions against unfair trade practices by foreign countries.

Impose temporary import surcharges or quotas to meet persistent balance-of-payments deficits. Ease quotas or lower duties temporarily to fight inflation or balance-of-payments surpluses.

Grant non-discriminatory (most-favored-nation) tariff treatment and Export-Import Bank credits and guarantees to the Soviet Union and other Communist Countries if the country allows freedom of emigration.

Give duty-free entry to exports of manufactured and selected other products from developing countries.

The House accepted the main thrust of the Administration's proposals embodied in H.R. 6767 and introduced in the Congress eight months earlier. However, it made three basic changes in the Administration's bill:

First, it reduced substantially the grant of unfettered authority to the President.

Second, instead of phasing out the adjustment assistance provisions of the Trade Expansion Act of 1962 (TEA), the House strengthened these provisions.

Finally, the House insisted, over the Administration's strong objections, that non-discriminatory tariff treatment and government credits be denied the Soviets unless they allowed freedom of emigration.

Despite these changes, H.R. 10710, like the Administration's earlier proposals, reflects the philosophy that American interests—both economic and foreign policy objectives—are best served by the maintenance of an open world economy, an economy in which governmental barriers to trade and capital movements have been greatly reduced. Implicit in the argument is that if we do not move forward to open channels to world trade, we shall surely slide backwards toward greater protection, more economic nationalism, and an inward-looking regionalism especially in Europe.

The bill is also designed to meet the major concerns of U.S. labor, and, thereby, deflect support from legislation which would restrict imports by the imposition of quantitative restrictions.

Industries threatened by import competition would find it much easier to qualify for protection. The President would also have authority to restrict imports in order to assure fair treatment for U.S. exports. Finally, the bill would make it easy for workers to qualify for adjustment assistance and the level of such assistance would be increased.

Subsequent to our hearings on the legislation last Spring, the Senate Finance Committee has made several major changes in H.R. 10710, as it came over from the House. On balance, I believe these changes are helpful as they contribute to a further opening up of international trade. Some of the more important changes approved by the Committee are:

Further liberalization of the tariff-cutting authority of the President. The House bill contains the following tariff-cutting authority:

If existing duty is 5 percent or less, tariff may be cut up to 100%.

If existing duty is between 6 and 25 percent, tariff may be cut up to 60%.

If existing duty is more than 25 percent, tariff may be cut up to 75% (but not below 10%).

The Senate Finance Committee has agreed to liberalize this tariff-cutting authority as follows:

If existing duty is 10 percent or less, tariff may be cut up to 100%.

If existing duty is more than 10 percent, tariff may be cut up to 50%.

In 1972, 32% of all U.S. imports (by value) entered this country duty-free while 53% were subject to duties of 10% or less. Thus, if the full authority under the Committee's agreement were exercised, 85% of U.S. imports would become duty-free.

Expansion of the trade adjustment assistance program to communities that are adversely affected by increased imports through loss of manufacturing facilities. The Committee also made several changes in the employee and manufacturer adjustment assistance programs with an eye to making the transition to freer world trade less burdensome on those parties who are directly affected through loss of production opportunities.

The Committee has adopted a series of amendments directed at opening up access to supplies of raw materials, food, and manufactured products that are required for orderly economic growth and development. This marks a major addition to the focus of world trade that was precipitated by the Arab oil embargo last year. Nations are finally coming to realize that access to supplies can be as important as (in some cases, more important than) access to markets (which has been the historic focus of trade legislation among nations). The Committee's amendments direct the President to enter into negotiations to improve international rules governing access to supplies of food, raw materials, and manufactured products and to establish multilateral rules against the denial of equitable access to supplies of raw materials. The President is also given authority to join with other nations in reaching agreement on the means by which all nations might retaliate against any nation or group of nations that denies equitable access to such supplies.

The obvious importance of this aspect of international trade can be seen in the following table. The United States is dependent to a substantial degree on foreign supplies of many of the basic minerals needed just to keep our economy running not to mention to maintain economic growth and improvements in our citizens' standard of living. For six minerals, we are dependent on foreign sources for 90% or more of our consumption, and that dependence is growing regularly.

U.S. mineral imports as a share of consumption

	Percent
Asbestos	81
Bauxite and alumina	87
Chromium	100
Cobalt	*100
Copper	8
Iron ore	30
Lead	25
Manganese	*100
Mercury	*82
Nickel	*92
Platinum	93
Potassium	45
Tin	100
Tungsten	*56
Zinc	51

Source: Council on International Economic Policy, Data marked by asterisk are for 1973, all others are for 1972.

The Committee modified the procedure whereby nontariff barriers (NTBs) to trade could be modified or eliminated as a result of international agreement. The House bill would allow the President to negotiate changes in NTBs which would automatically take effect unless either House of Congress disapproved the agreement within 90 days. The Committee's bill seeks to ensure that Congress' role in the process (which entails the changing of existing laws and regulations) remains more potent. The Committee has agreed to a procedure which would require both Houses of Congress to affirmatively approve any NTB agreement, but also provides for a limited time frame within which the Congress must act. This is a good accommodation of the conflicting requirements of speedy action on and Congressional participation in NTB-reduction decisions.

Infinitely more inportant that the politics of trade, however, the Trade Reform Act is a vital stone in the foundation upon which we can continue to build a better, more prosperous, more peaceful world. I urge the Senate to adopt this legislation so this Nation can participate fully and freely with our trading partners in the GATT to continue our work toward the ultimate development of a world free of barriers to trade among nations.

I am convinced that this will, in turn, lead inexorably to a world more nearly free of political conflict and war, it is this legacy of peace and freedom among the nations of the world—both as to our economic and our political relations—that we must leave to future generations.

VIII. PROGRESS WILL BE OURS—IF WE ARE WILLING TO WORK

More than anything else, we cannot forget that healthy international trade depends upon a viable international financial system and a healthy dollar in particular. The United States must once again be willing to take the lead in efforts to restore order in the international community of industrial powers. In particular, we must set the example for others to follow by rearranging our own affairs and reestablishing order in our own economic house.

Neither I nor anyone else have pat solutions to the complex problems facing world trade and the internatitonal financial system. But to shrink away from our responsibilities simply because the solution is difficut and demanding is unworthy of us as Americans. We must start to work together on the hard choices that lie before us.

Weakness of leadership . . . lack of thought and work . . . failure to act . . . any one of these could easily spell hardship for America and the world and a harsh future for us all. To assert ourselves now . . . to be willing to assume the task of leadership . . . this is what is needed to right the vessel and enable us to steam ahead on our charted course toward an improved economic world for all nations and people.

Mr. TUNNEY. Mr. President, I am very pleased and proud that the Senate today has acted firm determination and speed to enact this most significant trade legislation. Many thanks and much credit is due the distinguished chairman of the Committee on Finance (Mr. LONG) and the many members of that committee for bringing forth this vital legislation. The efforts of the Senator from Washington (Mr. JACKSON) will long be remembered in the history of great civil libertarians. The Jackson amendment is truly an historic accomplishment.

Foreign trade is critical to the health of our economy. More than 3 million American jobs exist solely because we are able to sell our products in foreign markets. Millions of other Americans are able to work only because we are able to buy critical materials such as titanium, manganese and bauxite from foreign sources. Passage of this bill will help preserve the millions of jobs already dependent on foreign trade and create the additional new jobs which are so badly needed in the struggle against recession.

California has an especially vital interest in the growth of free trade. In 1972, Californians produced and sold abroad more than $2.9 billion worth of manufactured exports. My own State, which is one of the greatest farm States in the Nation, sold $1.2 billion worth of agricultural produce to foreign consumers during this same period. In transportation equipment, machinery manufacturing, electrical equipment and supplies, chemicals and many other industries, thousands of Californians are dependent upon foreign trade for their livelihoods. Trade is essential to our State, to our Nation, and to the development of peaceful relations with nations which might otherwise be hostile to our interests. The bill we are enacting tonight represents an historic step in the direction of reducing artificial trade barriers and encouraging the expansion of worldwide free markets. It is a great development and I am proud to have had the opportunity to participate in its occurrence.

This bill provides necessary new authorities to the President to protect our domestic economy against unfair trade practices by other nations, an important protection for our workers in this period of high unemployment.

Lastly, this bill contains language which will assure increased emigration of persons from the Soviet Union, and an end to harrassment of Jews and others who seek to exercise their right of emigration. This is a major accomplishment, a great step forward in international human rights. It will be most important for all of us, in the Congress, and in the public at large, to watch carefully how the emigration agreement is implemented. I will not hestate 18 months from now to oppose continued MFN treatment and trade credits for the U.S.S.R. if the emigration agreement outlined by Senator JACKSON has been flouted. I very much hope this will not be the case, but I will be prepared for any eventuality. To this end, I have been in contact with Ambassador Dobrynin to suggest that I will be watching the Soviet handling of several specific emigration cases in which I have been involved, such as the case of Dr. Alexander Lunts. Easing of restrictions and granting of exit visas for the cases I have mentioned to the Ambassador will represent concrete evidence to me of a genuine change in attitude by the Soviet Government.

In summary, this trade bill will advance our economy, prevent a destructive trade war in this period of increasing international economic troubles, give new protections against unfair trade practices by foreign governments, and implement the Jackson amendment to allow free emigration from Communist countries. I am pleased to vote for passage of this vital legislation, and I commend my colleagues for their far-sighted action in bringing this bill to a rapid vote, and allowing its final passage in this Congress.

Mr. HUMPHREY. Mr. President, it should be clear that this Nation faces a serious economic crisis. But some may not be aware of the relationship between international economic order and our domestic problems.

The prosperity over the past three decades is a shared one.

The spirit of international economic cooperation resulted in a fivehold increase of goods moving in international trade over the two decades from 1950–1970.

This extraordinary growth of world commerce made possible a remarkable increase in the standard of living for citizens here and throughout the world.

Agricultural and industrial productivity, fueled by relatively open access to the world's resources and rapidly expanding markets, created new opportunities for domestic producers and millions of new jobs for American workers.

By last year the proportion of U.S. goods going into foreign markets had grown to almost 15 percent of total domestic production.

With the greatly increased ties to an international economy, the impact of changes abroad result in a pronounced and pervasive effect on jobs and economic activity here at home. Therefore, growth or stagnation of America's trade will have a marked influence on the health of our economy.

The action the Senate will take on the Trade Reform Act represents a most important test of political will.

Some important American leaders oppose trade legislation. The once solid support for trade liberalization has met with the defections of individuals impatient with our Government's lack of international economic leadership. Too often we have failed to adjust American trade policy to adequately protect the American worker and consumer from changed competitive conditions.

I am convinced that it is in the long-term interest of all Americans to continue international cooperation in trade and economic matters.

Our standard of living, our technological progress and our historically high level of employment can be protected only if we keep international commercial channels open.

The consequences of inaction on trade legislation are serious.

PROTECTIONISM

Over recent months we have seen the proliferation of national protectionist measures as countries, through import restrictions, have attempted to correct balance-of-payment strains resulting from increased energy costs.

Italy placed heavy bonding requirements on imports of key industrial and agricultural products.

Denmark has taken steps to curb imports through unilateral restriction.

Canada has placed quotas on importation of U.S. eggs and turkeys, and has

banned the importation of most U.S. beef.

We have seen new problems confront our international trade order.

The oil embargo and monopolistic pricing of crude petroleum led us to recognize a most important challenge to open world trade—access to supplies.

And petroleum is not the only commodity for which producer cartels threaten to manipulate world supplies.

Certain Latin American countries have levied a dollar tax on each bunch of bananas they export.

Jamaica has served notice to the rest of the world that the price of its bauxite exports will rise 500 percent.

The copper producing countries are beginning to establish a cartel for the purpose of collective monopolization of the world's copper supply.

The consumers of the United States and world cannot stand idle while such trends continue unchecked.

AMERICAN DEPENDENCY

U.S. industry must depend on imports in large part, or in full for platinum, chromium, tin and cobalt. Four countries control more than 80 percent of the exportable supply of copper. Two countries are responsible for more than 70 percent of world tin exports. Four countries control over half of the world's supply of natural rubber; four process over half the world supply of bauxite.

Immediate action must be taken to secure international ground rules on access to supplies and sanctions which could be taken against countries refusing to play according to the rules. The authority and directive for our negotiators to seek just such agreements is contained in title I of the Trade Reform Act.

TRADE AND AGRICULTURE

American agriculture has much at stake in providing for open world markets.

One out of every eight farm jobs depends on exports. One out of every four acres harvested is sold abroad. We export more than two-thirds of our wheat crop, 20 percent of our feedgrains, half of our oilseeds, 40 percent of our cotton, and 60 percent of our rice.

This relatively high proportion of American agricultural production which goes into foreign markets means that our own producers can reach economies of scale which keep consumer prices at a reasonable level at home.

Furthermore, every dollar increase in exports of these agricultural commodities creates another 90 cents of output in the form of transportation, financing, warehousing, and the production of agricultural inputs such as fertilizer and machinery.

TRADE BARRIERS

Over recent years we have seen the proliferation of non-tariff barriers as the most important restriction damaging the competitiveness of U.S. goods in foreign markets.

Such barriers, which may take the form of quotas, subsidies, variable levies, health restrictions and production standards have become a most significant problem limiting export opportunities for American producers. Title I of the Trade Reform Act offers the necessary negotiating authority to reach agreements to control and eliminate non-tariff barriers to trade.

ADJUSTMENT ASSISTANCE

Title II of the Trade Reform Act provides for timely reform of our adjustment assistance programs for workers and firms injured by import competition. Present legislation has been largely ineffective in providing relief to those individuals and firms adversely affected by imports. The delay in determining eligibility, and the inadequate level and range of benefits available under current programs make our present legislation inadequate for the times.

The Trade Reform Act offers a strong and comprehensive program of adjustment assistance to address the deficiencies of current legislation.

SAFEGUARDS

I have long been concerned with the inadequacy of existing safeguards to protect the American worker and industry from import trade practices.

Title III of the Trade Reform Act provides the President with essential tools to retaliate against countries which impose unjustifiable or unreasonable restrictions on U.S. exports, subsidize their own exports entering our markets, or deny our consumers access to basic resources.

Unless the Trade Reform Act is passed by this Congress, American consumers, farmers, firms and workers will continue to be left without adequate protection from such practices.

The Trade Reform Act also authorizes the President to extend most-favored-nation status to those countries not currently enjoying non-discriminatory treatment. Title IV of the trade bill would permit the extension of MFN export credits and loan guarantees to the Soviet Union, China and other Communist nations to the extent that these countries respect basic humanitarian rights of free emigration.

The poor countries have benefited little from past rounds of trade negotiations. Between 1960 and 1973 their share of world trade dropped from 20.8 percent to 18.6 percent.

If these countries are to reach a level of self-sustaining economic growth, they must be afforded increased access to the developed country's markets.

The United States is the last industrialized country to implement a generalized scheme of tariff preferences for exports of developing countries. Title V of the trade bill would provide for U.S. participation in such an effort.

Under this section, the President could extend duty-free treatment to selected manufactures and semimanufactures of the less developed world within specific safeguards to protect American industry. I offered several refinements of the generalized preference scheme contained in the House-passed bill and am pleased that the Senate Finance Committee incorporated most of these provisions in the bill currently under consideration. Today I am joining with Senator PASTORE to strengthen the safeguards as they relate to import-sensitive items.

Enactment of the Trade Reform Act will bring this most useful scheme into operation.

We also have got to start talking with our trading partners to work out common approaches to balance-of-payments problems before the remnants of the international trade order are ripped apart under the strain of shortsighted self-interest.

It has been over a year since the multilateral trade negotiations were opened in Tokyo.

Yet these talks have been stalemated waiting for the U.S. negotiators to secure the necessary authority from the Congress.

The Trade Negotiating Committee is scheduled to meet again in January but unless the United States has negotiating authority at that time the whole round of trade talks is likely to fall apart.

The American economy cannot afford to have these multilateral trade talks fail. Unemployment has long since climbed above acceptable levels. If the proliferation of trade restriction continues unchecked, the jobs of thousands of additional Americans will become threatened.

The actions of the oil-producing countries have shaken industrial output throughout the world.

The trend toward manipulation of supplies of basic raw materials by producer cartels threatens new disruptions of U.S. industrial production. Inadequate U.S. laws to safeguard against import disruption have caused entire U.S. industries to be weakened or destroyed by highly subsidized foreign imports. Without the reforms of such safeguards as provided for in the Trade Reform Act, whole industrial and agricultural sectors, as well as their workers and communities will become vulnerable to cut-throat import competition.

The flow of goods, services, and capital between nations has reached a magnitude such that few nations, if any, can isolate themselves from the economic events elsewhere.

The strains of inflation and greatly increased prices of basic raw materials call for urgent international cooperation.

The well-being of the American economy demands that immediate attention be given to the problems confronting the international trade order.

The necessity for enacting the Trade Reform Act should be clear. It is an essential economic initiative with the potential for: Creating new jobs; upgrading workers' skills whose jobs have become obsolete; securing access to needed raw materials; maintaining stable prices.

I wish to insert several comments into the legislative record relating to sections 103 and 104 of the Trade Reform Act. These provisions state that the overall U.S. objective in the upcoming negotiating round is to achieve greater liberalization and equity in world trade. Also, a principal U.S. objective is to obtain access for U.S. products in foreign markets equal to that afforded foreign products in our own market. This latter objective is to be achieved, where feasible and where consistent with our overall eco-

nomic interests, by negotiations on a product sector basis.

Now, I want to insure that we make it clear in the legislative history that our overall objective of liberalized trade conditions is paramount. Our sectoral negotiating objective must be consistent with this goal. In this regard, we intend that the sector negotiating approach be used in ways that our equivalent access objective can be attained and is consistent with maximizing the overall economic benefit of these negotiations to the United States. In some situations the sector approach will probably not achieve our goals of either liberalized trade or equivalent access. In other cases, this approach may be useful if it involves concessions undertaken across sectors as well as concessions within each sector.

The Congress intends that the President closely examine the sectoral and other techniques in order to achieve our basic objectives in this crucial round of trade talks.

I stand in support of expedient consideration and passage of the Trade Reform Act to insure the future health of the international economy, continued export opportunities for U.S. producers, supply and price stability for the consumer, and expansion of employment opportunities for the American worker.

Mr. HANSEN. Mr. President, the management of this bill has been nothing short of brilliant. I congratulate the chairman and ranking Republican—and staff—for their long hard work on this bill. It is not a perfect bill, but it is a good bill which will help American industry and American labor compete on a fair and equitable basis. In 1 or 2 years, those who oppose this bill may well realize that the bill worked. It provided them with relief they would not have otherwise received.

So I say, I am proud of this body and of this committee for the magnificent way in which they met their responsibilities to the Nation and the world.

Mr. NELSON. Mr. President, Congress has been deliberating for nearly 2 years on H.R. 10710, the Trade Reform Act. The Finance Committee has held hearings and executive markup since March of this year.

Now the year—and the 93d Congress—are coming to an end. Further delays on this bill could also spell the end of the trade bill, the consequences of which could be most grave.

NEED FOR BILL

This legislation deals with several thorny issues confronting us on both the domestic and international scene. To continue to ignore them could be disastrous for this country and for the economy worldwide.

First, this bill overhauls and updates the legal code of this Nation, in particular, the countervailing and antidumping duty statutes, in order to deal more responsively and responsibly with unfair trade practices of other nations which do damage to domestic industry and agriculture.

Second, it authorizes our representatives to the international forum, GATT—the General Agreement on Tariffs and Trade—to negotiate new, uniform rules of conduct for world trade.

Since this bill was first introduced 2 years ago, the world has undergone a dramatic economic shift. From a period of relative surplus in food and fuel, we have come to witness damaging shortages in many vital commodities. Significantly, some of these shortages have been man-made—contrived and manipulated by econmic cartels.

In light of these new economic crises, American trade policy has also undergone a profound change. For the past 4 decades the major objective of trade negotiations had been to expand exports—to expand access to markets. Now, as hyperinflation, the oil cartel, and attempts to organize other commodity cartels have become major concerns, imports, or access to dependable supplies must receive equal attention with exports.

This trade bill grants the President authority to negotiate reduction of tariffs and nontariff barriers to trade—in other words, to deal with the traditional problem of access to markets. But the Finance Committee's reported bill goes even further by equipping U.S. negotiators to deal with the new priority of providing for access to supplies. This bill includes a negotiating mandate to enter into trade agreements to assure supplies of essential articles at reasonable prices, a negotiating mandate for new multinational rules against denial of equitable access to supplies of raw materials, retaliation authority, and authority not to grant tariff preferences to countries withholding supplies.

Because of the profound shift in world economy, and the bill's response to this issue, passage of H.R. 10710 is even more crucial today than it was 2 years ago.

Today, the world faces the worst global catastrophe since World War II. In economic terms, this is the greatest peacetime crisis since the 1930's. At that time, world trade contracted as governments—in a vain attempt to insulate themselves from worldwide depression—lapsed into beggar-thy-neighbor, economic nationalist policies. These included competitive devaluation, barter deals, trade and exchange restrictions, and export subsidies.

In the past several years, we have seen a return to some of these myopic policies. The most dramatic example is the Arab—or more correctly, oil producers exporting countries—OPEC—embargo last winter, in the wake of the October Yom Kippur war. Shaken by the disastrous impact of this economic blackmail, other countries have also turned to drastic measures. Italy, for example, has placed a tax on imports. Japan, Canada, and others have imposed new trade barriers.

The United States is not immune from similar behavior. In fact, the the United States preceded the oil embargo with a soybean embargo of its own in July 1973. Right now the United States and her neighbor to the north, Canada, are engaged in a dangerous trade battle over import of beef and export of petroleum.

The temptation to resort to short-term measures to patch up long-range problems can sometimes be overwhelming, particularly when the world is without proper international rules of behavior. If we do not move forward now to establish these rules, the forces of regression may become irresistible. Indeed, since the tariff-cutting authority of the 1962 Trade Expansion Act expired on July 1, 1967, the President has had no authority to lower duties. Duties, however, can be raised. In short, without H.R. 10710, the only way U.S. trade restriction can move is upward. H.R. 10710 gives the President that carefully limited authority he needs to negotiate new trade agreements. Since 1967, the President has been without such authority.

Opening the channels of world trade has been a nonpartisan policy, supported by 19 Congresses and 7 Presidents since 1934. It should continue to be so. Once this bill passes, negotiations can begin again in earnest in Geneva in early 1975.

The need to negotiate internationally is predicated both on principle and on the practical fact that the United States cannot ignore its interdependency with other nations on this Earth. The United States cannot simply secede from world trade. In the past quarter century, trade has grown twice as fast as world production, making all nations more dependent on one another as markets and sources of supply. The United States produces and consumes more than one-quarter of world economic output. According to a recent Library of Congress report:

> The U.S. is so large a factor in the world economy that a significant portion of our exports is closely related to our imports—both tend to move together, up and down.

More than 3 million Americans owe their jobs to the exports and countless others derive their livelihood from imports.

The practical benefits of world trade are dramaticized by focusing on the State of Wisconsin, which ranks 13th among 50 States in employment in manufacturing establishments for exports. In terms of value of manufacturing for export, Wisconsin ranks 12th. The value of these exports amounted to $954.7 million, distributed among 336 companies in 14 separate industry groups in Wisconsin. The value of Wisconsin agricultural exports in 1974 was $185 million.

Rapidly expanding world trade then, has become a fact of modern economic life everywhere in this Nation. Its continued expansion is inevitable because of the increasing interdependence of national economies. Proteins, metals, oil, fibers, timber, and fertilizers are important to all economies, and no nation is self-sufficient in all of them.

WORKER ADJUSTMENT ASSISTANCE

However, we cannot escape the fact that some American workers lose their jobs when imports rise. Out of equity and fairness, Congress must therefore design a program to adequately protect those workers from the dislocations generated by expanded trade.

In short, we need free trade, Mr. President—but not at the expense of the American worker.

Accordingly, Mr. President, we have

worked out in committee a modified version of the amendment introduced by my colleague Senator BENTSON and I, which gives this country for the first time a broad, equitable tool which will specifically protect trade-impacted American workers, without compromising our position as a world economic leader. Because of the current state of the economy and the need to spend large sums of money to expand our support for unemployed workers in other segments of that economy, this compromise does not contain all of the far-reaching provisions first suggested by Senator BENTSEN and I. It does, however, lock into the new law and further improve upon the major modifications to current law already made by the worker assistance provisions of the House-passed bill.

Under the new law as I expect it to pass the Senate, a displaced worker would be eligible for special readjustment assistance if his unemployment and that of others in his firm—along with his firm's decline in sales or production—is certified by the Secretary of Labor as having been contributed to by an increase in imports. A worker thus certified will be eligible for the following assistance:

A trade readjustment allowance would be added to his unemployment compensation to guarantee him 70 percent of his average weekly wage, up to a limit of 100 percent of the average weekly manufacturing wage, for up to 52 total weeks of import-related unemployment. This provision represents what I consider to be a long-overdue move toward national standards in providing adequate allowances to workers who are unemployed through no fault of their own.

On-the-job training and other training, including college training or training in a vocational school, would be authorized for trade-impacted workers, and $50 million is authorized to pay for such training. Workers enrolled in training programs would be eligible for up to an additional 6 months of readjustment allowance to enable them to take full advantage of retraining programs, and a worker who enrolls in a training program not within commuting distance of his home may be provided additional subsistence payments of $15 a day and transportation expenses of 12 cents per mile.

Job search allowances will also be available to displaced workers, equal to 80 percent of job search costs, up to a maximum of $500, and relocation allowances equal to 80 percent of such worker's moving expenses plus three times the worker's average weekly wage up to a maximum of $500.

In addition, trade-impacted workers over the age of 60, who can be expected to experience the greatest difficulty in finding new employment, would qualify for an additional half-year of trade readjustment allowance.

Finally, the provisions strengthen the law in a number of other days. They require the Secretary of Labor to publish his determinations of worker eligibility in the Federal Register, together with his reasons for making the determinations, and allow an injured worker or group of workers to appeal from the denial of such eligibility. They also require the Secretary to pass along to workers information he receives from the Tariff Commission regarding potential injury from increased imports, and give the Secretary subpena power to get all the information he needs to determine whether a worker's unemployment is due to increases of imports.

It is important for us to realize that our economy does make room for most trade-dislocated workers. Even if a rise in imports means less demand for one particular skill, the chances are excellent that a similar or related skill will be needed in another sector of our expanding economy. What is required, however, is a period of readjustment, during which the worker can be retrained and can take the time to locate another decent, satisfying job.

Even in good times, a period of readjustment will be necessary. Right now, with high unemployment, raging inflation, and a temporary economic recession all combining to bring pressures on the workplace, that period is sure to be longer, and the new job tougher to find. Privately funded assistance is simply insufficient to cope with the reemployment and retraining problems that arise in times like these.

Readjustment assistance for workers who lose their jobs due to import competition was first proposed in 1954 by Senator John Kennedy as an alternative to so-called escape clause import relief The escape clause is a relatively drastic measure by which U.S. industry is "protected" through devices like a sharp rise in tariffs or the imposition of quotas on the offending imports.

Escape clause measures are intended to give industries more time to adjust to import competition by restricting imports, but like most "protectionist" trade measure, they provoke retaliation by foreign countries against U.S. exports. Thus, the escape clause only "protects" American jobs in industries affected by imports at the expense of jobs in the export sector of our economy.

Adjustment assistance, on the other hand, is a strictly domestic measure with the potential to provide immediate and direct relief at the actual point of injury, while avoiding the foreign relations pitfalls of the "escape clause." It was therefore written into the law for the first time in the Trade Expansion Act of 1962.

Unfortunately, the adjustment assistance provisions of that act have proved to be weak and unworkable. Highly restrictive criteria, coupled with cumbersome petition and delivery procedures, made it difficult for workers to prove they were eligible for assistance or to receive that assistance speedily.

In Wisconsin, for example, not a single worker has been certified eligible for assistance, although imports have harmed our shoe and dairy industries, among others. So restrictively has the law been interpreted that between 1962 and 1969, not a single worker was found to be eligible—and since 1969 fewer than 45,000 have been certified, and only two-thirds of those workers have ever received benefits.

At a time when total manufactured imports have skyrocketed to $44 billion a year, the disappointment of the trade-impacted workers has been bitter indeed. As a result they now quite justifiably ask why we should expect them to continue to support a national policy of free trade which fails adequately to compensate them for their losses.

The worker assistance provisions of title II will improve the level, duration, and quality of worker adjustment assistance, and insure that it will be available to many more workers than it has in the past. More than 70,000 workers per year would be eligible, according to the most conservative estimates.

I am uring passage of this bill as it is written today because I believe it is important that America maintain her role of active leadership in world economic affairs. Since a trade bill like this comes before Congress just once every 10 years, I believe we must seize upon this opportunity to enact a meaningful program to protect the American worker.

DOMESTIC LAWS AGAINST FOREIGN UNFAIR TRADE PRACTICES

As I said in the beginning, this bill not only equips the United States for international negotiations, it also updates important U.S. statutes related to foreign trade.

Senator MONDALE and I took a great deal of interest in encouraging the Finance Committee to safeguard agriculture—in particular, the dairy industry—from unfair international trade practices. In Wisconsin alone, 3,788 dairy farmers went out of business between January 1973 and August 31, 1974; their economic difficulties from increasing operating costs are complicated by unfair trade practices.

Many of the farmers in my State have become quite concerned about trade discussions because of the so-called Flanigan plan. Simply stated, the Flanigan proposal is a suggestion that the American balance of trade be improved by allowing foreign nations to import large quantities of dairy products so that the United States can, in turn, sell them large quantities of other agricultural products in surplus.

Obviously, because Wisconsin is a paramount producer of manufacturing milk products, such a policy would fall hardest on the entire Wisconsin dairy scene.

While it is denied that such a policy is being implemented, many dairy industry spokesmen see evidence of it in the administration's past import and price support policies.

Thus, Finance Committee concern about agriculture has focused on two main issues: First, section 22 of the Agricultural Act of 1933, which is the shield of our agriculture price support system in this country and which is the necessary underpinning for healthy agricultural production in this Nation: and second, the proper administration of the countervailing duty law which protects all of American industry and agriculture from the unfair competition of export subsidies issued by foreign countries.

To dramatize the need for the Finance Committee action on countervail, let me give my colleagues some background his-

tory on the countervailing duty law. For years, European countries have dumped subsidized products in this country, seriously damaging the American dairy farmer.

Subsidizing exports is internationally recognized as an unfair trade practice. Here, in the United States, it puts U.S. dairy farmers in the grossly unfair position of having to compete against treasuries of foreign governments. Whereas, our farmers are more than capable of head-to-head competition with farmers of any other country, they simply cannot compete when the foreign farmers have their governments' resources at their disposal.

The old countervail law had provided that duties could be imposed on those foreign subsidized goods to prevent their unfair competition with domestic goods. But in practice, U.S. authorities avoided using the law. In 1973 alone, the Common Market paid more than $26 million in subsidies on dry milk, cheese, butter, and butter oil shipped into the United States. And yet, we did not countervail against the practice. This year 100 million pounds of cheese and 150 million pounds of dry milk, much of it heavily subsidized by foreign countries, were imported into the United States causing vast disruption in American dairy markets. And still we did not countervail. This situation was ludicrous.

The old law, which required the Secretary of the Treasury to impose countervailing duties on imported products which were subsidized, has atrophied from so little use. It has proven over the years to be totally inadequate and highly damaging to the U.S. dairy industry.

The amendments which Senator MONDALE and I advanced set up a new legal machinery to prevent this from happening in the future. In effect, it creates a new countervail duty law to replace the old law, which dates from the 1880's—although recodified in 1930.

The newly drafted Finance Committee countervail law, which I urge all my colleagues to support, requires the Secretary of the Treasury to complete his investigations of complaints of subsidization within 6 months. If subsidies are found to exist, the administration would be granted 6 months within which to persuade foreign governments to voluntarily drop their subsidies. If the negotiations are unsuccessful and the Secretary of the Treasury still does not countervail, then either House of Congress could force the assessment of duties. Moreover, no special discretion for the President is permitted in the case of items, like dairy products, which are subject to quotas.

On the question of quotas, let me point out that the committee has also inserted language in the report at the urging of Senator MONDALE and myself to clarify that the trade bill should not be construed in any way as an effort to nullify section 22 of the Agricultural Act, which is the basic authority to impose import quotas on products which are covered by domestic price supports.

Page 75 of the Senate Finance Committee report reads:

The Committee also understands that existing administrative authority will not be used to implement any agreement resulting from trade negotiations entered into under this Act which affects the application of Section 22 of the Agricultural Act of 1933, as amended (7 U.S.C. 624). It is further understood that any trade agreement which could alter or amend section 22 of the Agricultural Adjustment Act, or affect the application thereof, would have to be submitted to the Congress, as would any other agreement under section 102, and be approved by both Houses of Congress under the positive approval procedure before it could become effective as U.S. law or administrative practice.

Finally, I would like to point out that the committee has seen fit to have included in the report two relevant letters sent to Senator MONDALE and myself. Assistant Secretary of Treasury James McDonald has spelled out administration assurances on administering the changes in the countervail law, particularly insofar as the European Community is concerned. Ambassador Harold Malmgren has detailed administration plans for future negotiation on international trade issues to alleviate difficulties burdening the dairy industry as a result of international unfair trade practices. These two letters are found on pages 189–91 of the report.

There are other important features of this bill which merit mention. Senator TALMADGE made an important contribution to this legislation by amending the House passed bill to require that all trade agreements that change any domestic law of the United States and for which advance authority has not been specifically delegated to the President must be approved by concurrent resolution of both Houses of Congress. This addition strikes a correct balance between the need to extend to the President's adequate authority to negotiate with our trading partners, on the one hand, and the proper constitutional role of Congress "to regulate commerce with foreign nations," on the other.

This provision also reflects a profound shift in public awareness concerning the proper grant of power to the President.

We have authorized negotiations to lower tariffs—which in this day and age constitute insignificant protection for American workmen. We have authorized negotiation to reduce so-called nontariff barriers, which have been used in some cases as protection for vulnerable industries. But as I said earlier, every one of these agreements will have to be reexamined and subject to approval by both Houses of Congress before this country officially embraces any such agreement.

Moreover, the committee bill provides for aid to industries firms, workers, and communities which might be injured by foreign competition, not necessarily because of this bill, but because of the very real threat of dubious activities of giant multinational corporations or because of the simple vagaries of international trade.

The liberalized provisions for worker adjustment assistance legislation need not be repeated. But I would like to call your attention to new provisions for import relief and to the new community assistance program, which aids trade-impacted communities to attract new industries.

TAXES

There will be amendments to this. Some should not be considered at this late hour to avoid killing the bill by delay. This is not necessarily the case, however, with reform of some of our tax code.

It will be asserted that tax reform should not be part of the Trade Reform Act of 1974 because there is not enough time, or that tax matters are too complex or not germane to this bill. This is nonsense. In fact, it is somewhat illogical to reform our whole international structure of trade without also reforming the tax laws that support and distort that trade.

The first step in achieving tax equity must be a more realistic taxing of the petroleum industry, but there also should be a fundamental and comprehensive reevaluation of our present tax system for foreign-source income. There are abuses in this area that cry out for reform. For example, the Domestic International Sales Corporation—DISC—provisions are totally unjustified tax windfall to predominantly large corporations. These provisions were enacted in 1971 in order to stimulate exports. Since then, however, two devaluations and the system of flexible exchange rates have fundamentally changed the U.S. and world trading system, giving a very substantial stimulus to U.S. exports. There is no evidence that the DISC provisions themselves have provided any extra stimulus to exports. Yet DISC will cost the Treasury $740 million in lost revenue in 1974, primarily in the form of subsidies to large, highly profitable corporations.

The foreign tax credit seems to be a legitimate means to prevent double taxation. It, however, has many leaks. First, by allowing multinational corporations to calculate their foreign tax credit, either on a per-country or overall limitation, it allows these companies to play a shell game with their tax obligation. They choose, frequently changing from one to the other, that limitation that allows them to shelter the greatest amount of their foreign income from U.S. taxes. Also, the foreign tax credit is singularly abused by international oil companies. These oil companies have been allowed to treat foreign royalties as taxes—unlike domestic royalties—and then to use alleged tax payments to shelter their foreign income in other countries. Treasury statistics indicate that in 1971, because of the foreign tax credit, U.S. oil companies were able to reduce their tax bill from $3.2 billion to $788 million, or more than 75 percent.

At the present time, American corporations do not have to pay taxes on the earnings of their controlled foreign subsidiaries until these earnings are brought home. Since most earnings retained abroad are reinvested in fixed assets, this virtually amounts to a permanent exemption from U.S. tax. This tax provision therefore gives U.S. corporations an artificial incentive to build plants in foreign countries and export

American jobs. In 1961, President Kennedy proposed the repeal of this tax deferral, but his proposal did not pass Congress. There are also a series of minor tax provisions, such as the Western Hemisphere Trade Corporation provisions that give an unfair competitive advantage and lower tax rate for corporations operating abroad. There should be a wholesale repeal of these discriminatory and inequitable provisions.

These abuses have existed for too long. As I mentioned above, I sense in the new Congress a strong wind of change and it is my hope that this Congress will say to these loopholes, to paraphrase Oliver Cromwell: "You have been here too long for any good you have been doing. Depart, I say, let us have done with you. In the name of God, go."

If amendments to this trade bill are offered to reform some of the more onerous sections of the tax code, I intend to support such measure.

In closing, let me say that while we have discussed the possible catastrophic effects of letting each nation pursue its own economic self-interest without benefit of fair international codes of trade behavior, we should also not lose sight of the advantages of passage of the trade bill. Negotiations will advance the movement toward reducing barriers to trade, lowering prices here at home, and opening up export markets for products from American industry and agriculture.

Mr. ROBERT C. BYRD. Mr. President, I shall vote for the Trade Reform Act of 1974, which is presently pending before the Senate.

I have reached the decision to support this measure, only after carefully weighing all of the relevant factors. I reached the decision to support this measure primarily on the basis that it includes assistance to workers and to communities which are affected by imports, and it includes some safeguards which will prohibit trade negotiators from bargaining away viable American industries and businesses.

I have witnessed industries in my own State of West Virginia being hurt by imports, and I particularly refer now to the glass industry. Only recently a large glass manufacturing plant in Clarksburg ceased operations and this threw 1,200 workers out of jobs. Therefore, Mr. President, I have a very keen interest in any legislation, trade or otherwise, which could affect the glass or other industries in my State. I was successful in having three amendments adopted which I believe will be of help to industries and workers in West Virginia.

First, I want to mention that Mr. PASTORE modified his amendment to include my amendment to prohibit trade negotiators from extending generalized preferential treatment to other countries with regard to "semimanufactured and manufactured glass products." I took this action because under title V of the committee-reported bill, the President could designate duty-free import status to certain developing countries, and I want to insure that such duty-free status will not be extended to glass products, because such action could cause severe hardship to the glass industries in West Virginia.

In addition, I was successful in having two amendments included in the committee bill, both of which liberalized benefits for displaced workers.

My first amendment liberalizes section 238(c)(2) of the committee bill which relates to relocation allowances for workers. The committee language of section 238(c)(2) provided that a relocation allowance could be paid to an adversely affected worker only after the filing of an application. However, if a worker relocates immediately after he becomes adversely affected under this chapter, but before he has been certified as eligible to apply for adjustment assistance, he is not eligible for relocation allowances. This has the effect of penalizing the adversely affected worker who acts to obtain suitable employment prior to filing his application for such allowance. My amendment eliminates this harsh result and provides that a relocation may occur prior to, or subsequent to, filing an application for relocation allowance.

My second amendment liberalizes section 237(b)(3) of the committee reported bill, which relates to job search allowances for workers. The committee language of section 237(b)(3) limited job search allowances to a period ending 1 year after total separation. However, in view of the fact that the overall eligibility period is 3 years and training may take longer than a year, the 1-year limitation in section (3) seems too short. A worker enrolled in job training would be denied job search allowances if his training were for more than 1 year after his last total separation, and he did not file an application within this period. My amendment allows an adversely affected worker to apply for job search allowances within a reasonable period after the conclusion of such training.

This legislation includes new and expanded authorities to assist both workers and communities adversely affected by imports, and it makes it vastly less complicated to obtain a finding of adverse effect. Therefore, I primarily support this bill because it provides both safeguards to industries and methods to assist American workers and communities which they do not now have under existing law.

H.R. 10710 also requires the President to implement import relief after receiving from the Tariff Commission a determination that there is a serious injury, or threat of injury, to an industry in the United States. Existing legislation merely confers on the President the discretionary authority to take such action. This bill makes it mandatory that the President take action if the findings of the Tariff Commission are supportive of such an action.

The Senate version of H.R. 10710, contains a provision authored by Senator HARRY F. BYRD, JR., which limits to $300,000,000 the amount of credit which can be extended to the Soviet Union, without additional congressional approval. I am a cosponsor of that amendment.

Mr. President, I have heard support expressed by many individuals, groups and organizations in my State—including agricultural interests, the United Mine Workers of America and the steel industry.

Therefore, Mr. President, when I look at this proposed legislation in its entirety, I believe that it will, in the long run, create more job opportunities within the United States as we expand our export trade with other nations, and it is essential that we strive to develop more exports to offset the large petrodollar drain on our balance of payments. If I felt that this bill would take jobs away from West Virginia, I certainly would not support it. However, I believe the advantages contained in the bill will outweigh the objections; so I, therefore, intend to vote for the Trade Reform Act of 1974.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 10710) was read the third time.

Mr. HARTKE. Mr. President, I would like to just have a few minutes to speak. I think I have some time left.

I know it is 6:30 and everyone was talking about how long the debate was going to take on this measure.

First, let me point out that this trade bill—and I want to compliment the manager of the bill for doing a fine job—has been pushed through the Senate in record time. I think it is unfortunate because there were some steps taken here which I feel procedurally are going to be regretted for a long time. I do not think the Senate stood up very well in the light of democratic operation by cutting off debate before it began by insisting on germaneness in the technical fashion rather than relevance. But, after all, we still live under the rules, and we will abide by the rules.

The fact is that what the Senate has failed to realize, in my opinion, is that the world has changed, that this trade bill endorses the same type of unchanged policies which have been a failure in the past.

I would like to make a couple of points. First, this trade bill surrenders all our constitutional congressional authority to the executive. It was unnecessary in order to expand trade or even adopt the theory of free trade. It could all have been done without the surrender. But now another step in the surrender of Congress to the executive has been completed.

Second, it gives no assurance of relaxation of trade barriers.

Third, it continues the present erosion of the industrial base of the United States.

Fourth, it continues the policy of exporting American jobs.

Fifth, it continues the policy of exporting American capital.

Sixth, it continues the policy of exporting American technology.

Seventh, it has no new creative approach to an orderly world marketing agreement or any type of orderly approach toward world trade whatsoever.

Eighth, there is no showing that the executive needs additional authority beyond what he has at the present time.

Ninth, in the humanitarian vein, it

continues the United States in the role of exploiting cheap foreign labor for our own selfish benefits.

I do not need to go into the fact that this was an opportunity to close some big tax loopholes. I mentioned those before. But tax reform is a nice conversation piece. However, it is not a matter which Congress as yet has been willing to meet head on.

In fact, this trade bill makes us again prisoner to the old political labels. A new approach or a new direction, as I said, is needed.

Frankly, our Nation, in its own survival, needs some new approaches. The President admits at this moment that he does not know what to do about the economic slide we are in. He is calling in people by the hundreds to advise him, to tell him what to do about the layoffs.

I would say that I have had as many telephone calls from business people who are complaining to me they do not know what to do to stay in business, as most of the Senators have had from businessmen who have been urging them to pass the trade bill.

I did present a new approach in the Hartke-Burke bill. After all, the purpose of law is to develop our potential for an improved quantity and quality of life. I say the intellectual and political talent is in the Senate to accomplish that noble purpose.

It is not my contention that this bill before the Senate today will destroy the country. It is not my contention that it is basically just a bad bill. But it is my belief that we cannot delay the changes which are necessary to adjust to a new world and to a changing world.

It is my belief that the present trade bill continues wornout economic philosophy, and it is an element which is driving us fast down the highway toward the destruction of the western economic system.

So I say adoption of this trade bill is going to leave a false impression.

In the haste of the Senate action we are going to leave mangled lives, disappointed mothers, and sad children.

It was my sad experience when I came to the U.S. Senate in 1959 to serve on the Committee on Unemployment Problems. During the time I have been here the need for that committee was discontinued. It was headed by former Senator Eugene McCarthy.

This trade bill is going to repeat though some of the agony and some of the statements that I heard when I went on more field hearings for that committee than any other Senator.

So I repeat to you the story which is in the CONGRESSIONAL RECORD, which I heard in Pikesville, Ky., given to us by the editor of the Pikesville newspaper when he explained the human problems and misery which come with unemployment, which this bill recognizes in its report and upon its face it is going to create. It recognizes at least hundreds of thousands of those people are going to be in that condition.

What was that story? That story was the father of eight children who had worked in a coal mine. He had worked in a coal mine his entire life. The coal mine closed down, just as many of these plants are going to close down, which is admitted in the report because there is economic adjustment assistance provided for in this report for those factories and those business places which are closed down.

The estimates in the Finance Committee are mere guesses, as every member of the Finance Committee admitted in executive session. But they thought by holding the amount down, holding it low, it would make the passage of the bill all the more attractive.

So when the coal mine closed down his first benefit was to receive unemployment compensation. In this case he will receive unemployment compensation, then adjustment assistance of 75 percent of his wages, as provided for by the McIntyre-Kennedy amendment. But after his adjustment assistance expires then he will go to welfare.

This man, as he did, went through his unemployment insurance, he went looking all up and down through the Midwest and through Kentucky and all up and down the Ohio Valley looking for a job.

They asked him what he could do. He said, "I can mine coal," just as many of these people can say when they are asked, "What do you do?" They can say, "I worked in a shoe factory"; "I worked in an electronics factory"; "I worked in an automobile factory"; "I worked in a television factory"; "I worked in a clock factory"; "I worked in a textile factory." They said, "I am sorry, we do not have any jobs like that left anymore. You see, they passed that trade bill and all those jobs have been shipped overseas."

This man had eight children, as I said. During the first part of December of 1957, he came back to his family of eight children and he wrote them a note. He said, "If I am dead, you will draw social security benefits," as this body well knows. The death benefits under social security are provided by this body.

He said, "If I am dead, you will draw social security benefits. I can no longer stand to see you suffer, so I am going to give you the best Christmas present that I know how to give," and he took a shotgun and killed himself.

Let me remind the Senate that when it puts its stamp of approval on this unemployment bill—and that is what it is—the Senate is going to create hundreds of thousands of identical situations where the agony, the anxiety, and the tragedy of not being able to take care of one's family becomes a reality.

So I just say I have done the best I could, and the only thing left for me to do is to cast my vote against this bill.

It is evident it is going to pass. As I said a moment ago, it is not going to change an awful lot. At least, we will remove one excuse from the President's arsenal of excuses as to why the country is having severe economic problems.

So when January and February come, when you see the people on the streets out of work, where you see them in Tell City, Ind., where they now have 14-percent unemployment, with an announced 20 percent by the end of the year, just remember you have added one more nail to that coffin of injustice.

VOTE VITIATED ON SCOTT AMENDMENT TO AMENDMENT NO. 17—H.R. 16900 SUPPLEMENTAL APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I yield myself 1 minute.

I ask unanimous consent that the vote which was to have occurred immediately upon the passage of this bill on the motion to invoke cloture on the Scott amendment to the amendment in disagreement, No. 17, of the supplemental appropriations, 1975, conference report, be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIRST ROLLCALL VOTE TO BEGIN AT ABOUT 10:15 A.M. ON SATURDAY, DECEMBER 14, 1974

Mr. ROBERT C. BYRD. Mr. President, the first rollcall vote tomorrow will begin at about 10:15 a.m.

TRADE REFORM ACT OF 1974

The Senate continued with the consideration of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New Mexico (Mr. MONTOYA), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I also announce that the Senator from Maine (Mr. HATHAWAY) is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Maine (Mr. HATHAWAY) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER), the Senator from New

York (Mr. JAVITS), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER), the Senator from North Dakota (Mr. YOUNG), and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The result was announced—yeas 77, nays 4, as follows:

[No. 538 Leg.]

YEAS—77

Aiken	Eagleton	Nunn
Allen	Ervin	Packwood
Baker	Fannin	Pastore
Bartlett	Fong	Pearson
Bayh	Gravel	Pell
Beall	Griffin	Percy
Bennett	Gurney	Proxmire
Bible	Hansen	Randolph
Biden	Hart	Ribicoff
Brock	Haskell	Roth
Brooke	Helms	Schweiker
Buckley	Hollings	Scott, Hugh
Burdick	Hruska	Scott, William L.
Byrd, Harry F., Jr.	Humphrey	Sparkman
Byrd, Robert C.	Inouye	Stafford
Cannon	Jackson	Stennis
Case	Long	Stevens
Chiles	Magnuson	Stevenson
Church	McClellan	Symington
Clark	McGee	Taft
Cook	McGovern	Talmadge
Cranston	McIntyre	Thurmond
Curtis	Metzenbaum	Tunney
Dole	Mondale	Williams
Domenici	Moss	
Dominick	Muskie	
	Nelson	

NAYS—4

Abourezk	McClure	Metcalf
Hartke		

NOT VOTING—19

Bellmon	Hathaway	Mathias
Bentsen	Huddleston	Montoya
Cotton	Hughes	Tower
Eastland	Javits	Weicker
Fulbright	Johnston	Young
Goldwater	Kennedy	
Hatfield	Mansfield	

So the bill (H.R. 10710), as amended, was passed.

Amend the title so as to read: "An Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate fair and free competition between the United States and foreign nations, to foster the economic growth of, and full employment in, the United States, and for other purposes."

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I have a series of motions to make.

Mr. President, I ask unanimous consent that the bill, H.R. 10710, be printed with the amendments of the Senate numbered, and that in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make all necessary technical and clerical changes and corrections, including corrections in section, subsection, and so forth, designations, and cross references thereto.

The PRESIDING OFFICER (Mr. WILLIAMS). Without objection, it is so ordered.

Mr. LONG. Mr. President, I move that the Senate insist on its amendments to the bill, H.R. 10710, and ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. MONDALE, Mr. BENNETT, Mr. FANNIN, and Mr. HANSEN conferees on the part of the Senate.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAMILY EDUCATION RIGHTS AND PRIVACY ACT OF 1974

Mr. McINTYRE. Mr. President, I have been informed that on the recently passed Family Educational Rights and Privacy Act of 1974, the Buckley amendment which became part of that has raised certain questions. The intent of the amendment was to allow openness of school records.

The language was written in haste and has raised serious questions in the minds of school officials.

The distinguished chairman of the Educational Subcommittee, the Senator from Rhode Island, is in the Chamber, and it is my desire to clarify this language.

It would be helpful to me and to many concerned school officials, however, to have a few points clarified to make sure my understanding of the changes is correct.

First, I notice that the proposed amendment deals with the problem of documents received prior to January 1, 1975, with an understanding of confidentiality and that it is specified that the rights of confidentiality as otherwise protected by law are not infringed by the act. This is an important change to protect the rights of people who wrote a letter, or a report with an understanding of confidentiality before the act came into existence. It is also important that common law privileges, such as doctor-patient and lawyer-client relations, are not violated. I would assume that in the interests of fairness, the proposed amendment means that confidential letters of recommendation and other confidential written statements received prior to January 1, 1975, need not be disclosed, provided that they are used only for the purposes for which they were written, and that the proposed amendment protects common law and statutory privileges of confidentiality.

Second, the proposed amendments define "education records" in order to make clear what documents and other material parents and students will have access to. I realize that it is difficult to draft a definition that applies to thousands of elementary and secondary schools and institutions of higher education, and I would hope that regulations would carry out the underlying intent of the basic definition. I would understand that intent to be that, except as provided in the definition, parents and students should have access to everything in institutional records maintained for each student in the normal course of business and used by the institution in making decisions that affect the life of the student.

Third, as I understand the act, it is designed to protect the rights of privacy of students and their parents and to give them access to documents that are used by the institution in making institutional decisions concerning a student. The act is not designed to require the retention of records or to require that institutions continue to retain and use records that have been used in the past. In fact, it could be said that the act's purposes are best achieved when fewer records are kept and used.

I would appreciate the Senator's telling me whether my understandings on these three points are correct.

Mr. PELL. Mr. President, I have listened carefully to the points raised by the Senator from New Hampshire and find that, as I read the proposed amendments, the points he has raised are correct.

Mr. McINTYRE. Mr. President, I am pleased that the able and distinguished Senators from Rhode Island and New York have met on this matter in order to make such changes as are necessary to insure that the intent of the legislation is fully understood.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES IN 1976

Mr. PELL. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 40.

The PRESIDING OFFICER (Mr. WILLIAMS) laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 40) to authorize and request the President to call a White House Conference on Library and Information Services in 1976, as follows:

Strike out all after the resolving clause, and insert: That (a) the President of the United States is authorized to call a White House Conference on Library and Information Services in 1977.

(b)(1) The purpose of the White House Conference on Library and Information Services (hereinafter referred to as the "Conference") shall be to develop recommendations for the further improvement of the Nation's libraries and information centers and their use by the public, in accordance with the policies set forth in the preamble to this joint resolution.

(2) The Conference shall be composed of, and bring together—

(A) representatives of local, statewide, regional, and national institutions, agencies, organizations, and associations which provide library and information services to the public;

(B) representatives of educational institutions, agencies, organizations, and associations (including professional and scholarly associations for the advancement of education and research);

(C) persons with special knowledge of, and special competence in, technology as it may be used for the improvement of library and information services; and

(D) representatives of Federal, State, and local governments, professional and lay people, and other members of the general public.

(c)(1) The Conference shall be planned and conducted under the direction of the National Commission on Libraries and Infor-

House of Representatives

MONDAY, DECEMBER 16, 1974

The House met at 12 o'clock noon.

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

The people that walked in darkness have seen a great light.—Isaiah 9: 2.

Holy Father, the giver of every good and perfect gift, we thank Thee for the significance of the Advent season and for the coming of Jesus into our human world. In Him and in Thy Word Thou hast revealed the greatness of Thy love and the glory of our own lives. In doing so Thou hast blessed the families of the Earth.

During this season and throughout the new year may we be grateful for the ties that bind us together in the home, the church, and the Nation. Remove from within us all thoughts that are bitter and narrow, all feelings of pride and prejudice and may we learn to live as little children, glad-hearted and free, with spirits filled with love and joy.

We pray that this same spirit may come into the heart of our Nation and into the life of our world. Thus may we live together in peace, helping one another, lifting one another, and loving one another.

In the dear Redeemer's name we offer our morning prayer. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

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

H.R. 5056. An act to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code;

H.R. 14349. An act to amend section 3031 of title 10, United States Code, to increase the number of authorized Deputy Chiefs of Staff for the Army Staff;

H.R. 15067. An act to prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777; and

H.R. 16006. An act to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the Armed Forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16136) entitled "An act to authorize certain construction at military installations, and for other purposes."

The message also announced that they agreed to the House amendments to Senate amendments numbered 1 and 3 until further announced that the Senate receded from its amendments numbered 5 and 6 to a bill of the House entitled:

H.R. 10834. An act to amend the act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif., and for other purposes.

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

H.R. 3538. An act for the relief of Selmer Amundson;

H.R. 10710. An act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes;

H.R. 12860. An act to amend title 10 of the United States Code in order to clarify when claims must be presented for reimbursement of memorial service expenses in the case of members of the Armed Forces whose remains are not recovered;

H.R. 14449. An act to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs;

H.R. 15912. An act to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans; and for other purposes;

H.R. 16925. An act to make technical amendments to the act of September 3, 1974, relating to salary increases for District of Columbia police, firemen, and teachers, and to the District of Columbia Real Property Tax Revision Act of 1974, and for other purposes; and

H.R. 17450. An act to provide a People's Counsel for the Public Service Commission in the District of Columbia, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10710) entitled "An act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. MONDALE, Mr. BENNETT, Mr. FANNIN, and Mr. HANSEN to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14449) entitled "An act to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. NELSON, Mr. WILLIAMS, Mr. RANDOLPH, Mr. KENNEDY, Mr. MONDALE, Mr. CRANSTON, Mr. HUGHES, Mr. HATHAWAY, Mr. JAVITS, Mr. DOMINICK, Mr. SCHWEIKER, Mr. TAFT, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 17 with an amendment to a bill of the House of the following title:

H.R. 16900. An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that on December 9, 1974, the Senate agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16900) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes."

And further that on December 10, 1974, the Senate agreed to the amendments of the House of Representatives to the amendments of the Senate numbered 11, 39, 43, 44, 53, 66, and 85 to the bill (H.R. 16900) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes."

And on December 10, 1974, the Senate agreed to the amendment of the House of Representatives to the amendment of the Senate numbered 17 to the bill (H.R. 16900) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes," with an amendment.

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

S.J. Res. 40. Joint resolution to authorize and request the President to call a White House Conference on Library and Information Services in 1976.

The message also announced that the Senate insists upon its amendment to the House amendment to the joint resolution (S.J. Res. 40) entitled "An act to authorize and request the President to call a White House

Conference on Library and Information Services in 1976," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PELL, Mr. RANDOLPH, Mr. WILLIAMS, Mr. KENNEDY, Mr. MONDALE, Mr. EAGLETON, Mr. CRANSTON, Mr. HATHAWAY, Mr. DOMINICK, Mr. JAVITS, Mr. SCHWEIKER, Mr. BEALL, and Mr. STAFFORD to be the conferees on the part of the Senate.

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

S. 3283. An act to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes;

S. 3668. An act for the relief of Sheila J. Phelps;

S.J. Res. 212. Joint resolution to authorize the erection of a Children's Gift Bell memorial bell tower in the District of Columbia; and

S. Con. Res. 44. Concurrent resolution relating to the awarding of the Purple Heart to members of the Armed Forces interred in the Tomb of the Unknowns at Arlington National Cemetery.

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

[Mr. KOCH addressed the House. His remarks will apepar hereafter in the Extensions of Remarks.]

H. R. GROSS

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

Mr. HANLEY. Mr. Speaker, Mark Twain once said:

I can live two months on a good compliment.

Using this as a guide, H. R. GROSS can look forward to a uniquely long and contented retirement. The compliments which have been heaped upon H. R. on the occasion of his retirement from Congress are a sign of our affection and respect for a man who has represented his constituency with vigor, wisdom, and integrity.

For the past 10 years, I have served with the gentleman from Iowa H. R. GROSS on the Post Office and Civil Service Committee and have had the privilege and pleasure of working with him on scores of issues. We did not always agree, but I always found that H. R. had full command of the facts, pressed his position with intelligence and wit, and was willing to listen and give counsel to his colleagues.

I would not scare H. R. by saying that he has become a legend in his own time; I do not think that he wants to be a legend. But his career here does have some legendary qualities. His grasp of parliamentary procedure has often left his adversaries gasping and his allies smiling. His debates have consistently informed, cajoled, exhorted, and often entertained the Members of the House, always to good purpose and always with an eye toward saving the taxpayers' money.

I—all of us—will miss H. R., and I wish him only the best in his well-earned retirement.

ARTHRITIS BILL AND BROADCASTER'S LICENSING BILL

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

Mr. MONTGOMERY. Mr. Speaker, I will withdraw my objection to the arthritis bill for two reasons.

First is my own strong support for this bill and desire to see it receive final approval in the 93d Congress, as well as the strong support it has in my State and across the Nation. Second is the realization that it is now too late to appoint conferees on the broadcasters' licensing bill.

Quite frankly, I still think the conferees should have been appointed on the broadcasting legislation because this bill passed the House with only 15 dissenting votes and the Senate requested conference 10 weeks ago. I regret that the will of the Congress has been stymied on this important bill. Hopefully majority rule will prevail in the 94th Congress.

FOOD FOR THE POOR IN THE DISTRICT OF COLUMBIA

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

Mr. PEYSER. Mr. Speaker, I want to take this opportunity, for the benefit of those Members who may have missed the initial announcement, to state that Project Survival, that will give the Members of the House and their staffs an opportunity to bring food for the poor and hungry in the District of Columbia, will begin on Thursday, December 19, at 11:45, on the steps of the Capitol. This food is being distributed by the churches of the District, and the food is going to be used to feed the poor and hungry directly in the District of Columbia.

I again want to make reference to the fact that the Speaker of the House, the majority leader, the minority leader, and the minority whip have taken an active role in enthusiastically supporting this effort, and we hope that all of the Members and their staffs will bring some food in bags, canned food, and bring it on Thursday, 11:45, December 19, to the steps of the Capitol.

EMPHASIZING OUR NEED FOR DEEPWATER PORTS

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

Mr. TREEN. Mr. Speaker, there are 100 deepwater ports in use around the world used in the transportation of crude oil, yet there is not one in the United States.

There is not even one underway. Despite this fact, we are subsidizing the construction of nine supertankers, all of them too large to use in any existing U.S. port.

Mr. Speaker, we have one week left to do something about this outrage. Legislation to permit the construction of deepwater oil importation facilities passed the House on June 6. Similar legislation passed the Senate on October 9. Unfortunately, conferees were not appointed by the House until November 26 and by the Senate until December 2. The conferees are yet to report.

Mr. Speaker, private investors have already joined together and have made plans to spend over $500 million in the construction of a deepwater port off the coast of Louisiana. All Americans will benefit by this facility because it will lower the cost of petroleum products and it will provide much needed new jobs for thousands of people.

Here is a piece of legislation that everyone agrees is needed and which would benefit consumers tremendously. But, considering the pace with which we have acted on this legislation, it is not surprising that the people of this country wonder about the intelligence and effectiveness of the Congress of the United States.

Mr. Speaker, I urge the conferees to report a bill this week so that this legislation can be enacted this year. Otherwise there is a strong risk that the impetus for construction of this much needed facility, and others like it where they are desired, may be lost forever.

APPOINTMENT OF CONFEREES ON H.R. 14449, COMMUNITY SERVICES ACT OF 1974

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. PERKINS, HAWKINS, and QUIE.

APPOINTMENT OF CONFEREES ON H.R. 10710, TRADE REFORM ACT OF 1973

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, with Senate amendments thereto, disagree to the Senate

amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oregon? The Chair hears none, and appoints the following conferees: Messrs. ULLMAN, BURKE of Massachusetts, Mrs. GRIFFITHS, and Messrs. ROSTENKOWSKI, SCHNEEBELI, CONABLE, and PETTIS.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 687]

Adams	Grasso	Nelsen
Armstrong	Gray	O'Brien
Ashley	Griffiths	O'Hara
Badillo	Gross	Owens
Bell	Grover	Parris
Biaggi	Hanna	Patten
Blackburn	Hansen, Wash.	Podell
Blatnik	Harrington	Powell, Ohio
Boland	Harsha	Price, Tex.
Brademas	Hastings	Rangel
Brasco	Hébert	Rarick
Brotzman	Heckler, Mass.	Reid
Burton, John	Hogan	Rhodes
Butler	Holifield	Roncallo, Wyo.
Carey, N.Y.	Howard	Roncallo, N.Y.
Casey, Tex.	Hudnut	Rooney, N.Y.
Chamberlain	Hunt	Rousselot
Chappell	Jones, N.C.	Ruppe
Chisholm	Jones, Okla.	Ruth
Clancy	Kuykendall	Sandman
Clark	Landgrebe	Sarasin
Cotter	Landrum	Shipley
Cronin	Litton	Shoup
Daniels, Dominick V.	Luken	Staggers
Davis, Ga.	McCormack	Steele
Dellums	McDade	Stephens
Dennis	McEwen	Sullivan
Dent	McKinney	Thompson, N.J.
Derwinski	McSpadden	Tiernan
Diggs	Macdonald	Towell, Nev.
Dingell	Maraziti	Vander Jagt
Downing	Martin, Nebr.	Walsh
Drinan	Mathias, Calif.	Ware
Eshleman	Matsunaga	Williams
Flowers	Milford	Wolff
Flynt	Mills	Wyman
Frelinghuysen	Minshall, Ohio	Yatron
Giaimo	Mizell	Young, Fla.
Goldwater	Mosher	Young, S.C.
	Murphy, N.Y.	

The SPEAKER. On this rollcall 316 Members have recorded their presence by electronic device, a quorum.

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

DATE FOR CONVENING OF 94TH CONGRESS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 260), and I ask for its immediate consideration.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask the gentleman about the joint resolution.

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, there was a resolution, as the gentleman knows, which was sent over from the Senate some 2 or 3 weeks ago with regard to setting either Friday or Saturday as the day on which the Congress would adjourn sine die.

Mr. GROSS. What is the purpose of this resolution?

Mr. O'NEILL. The purpose of this resolution is to fix the date of January 14 as the day on which the new Congress will convene. We will be out of here on Friday, and this will fix the date January 14 as the date on which the new Congress will convene.

Mr. GROSS. This fixes both days then, the date for adjourning this Congress and the convening of the new Congress?

Mr. O'NEILL. No, this just fixes the convening of the new Congress on January 14.

Mr. GROSS. Mr. Speaker, why, with all the problems facing the new Congress, would it delay convening until the middle of January?

Mr. O'NEILL. The Constitution says unless otherwise fixed, the House and Senate will assemble on January 3, but in view of the fact that the House has been in session for 14 to 16 months since we have had a vacation, a year ago August, it is the feeling of the membership that we should come back on the 14th of January. I am sure the gentleman is aware that Congressmen who are leaving will complete their terms and their terms will expire on January 3.

We have discussed this with the leadership on the other side and with the President of the United States. It does not in any way cause difficulty for the President and at the same time he has informed the leadership he will be coming in then with a Presidential message.

I think it is in the best interest of the Congressmen who have been working consistently for 16 months that they should have a vacation of about 3 weeks.

Mr. GROSS. Mr. Speaker, I do think the situation in this country ought to mandate Congress convening at the earliest possible date and therefore I am opposed to convening the new Congress on January 14 and suffering the loss of that time in which to do something about the situation but I will not object for I am well aware that a vote on a motion to convene on January 14 would be overwhelmingly approved.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 260

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first regular session of the 94th Congress shall begin at 12 o'clock noon on Tuesday, January 14, 1975.

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

PERSONAL EXPLANATION

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

Mr. DU PONT. Mr. Speaker, because of a prior commitment in Delaware, I did not have the opportunity to vote on H.R. 16204 or H.R. 14266 and the one amendment offered to it. Had I been present, I would have voted "yea" on H.R. 16204. I would have voted "yea" on H.R. 14266, and "nay" on Mr. MURPHY's amendment to that bill.

In addition, Mr. Speaker, I would like to comment briefly on S. 425, the strip mining bill which passed the House on Friday.

I have consistently supported the objectives of S. 425. I voted for the bill when it was before us in July and supported the conference report on final passage. However, I had serious misgivings about the rule granted to the conference report and I wish to clarify my reasons for opposing that rule.

First, I think it is both improper and dangerous for conferees to insert substantive proposals—in this case involving the coal tax—that were not a part of either Houses' bills as they were passed. We were not given adequate time or facts to decide intelligently whether the inflationary impacts of such a move were outweighed by the worthy objectives for which the moneys were to be spent.

Second, the introduction of entirely new material not considered by either House is a direct violation of rule 28, clause 3 of the rules of the House. The purpose of which is to guard against the approval of ill-advised, hastily considered insertions in conference reports being passed under the pressure of time. I believe that ignoring this rule in matters of substantial magnitude such as the tax provision of S. 425 surely was a mistake and should not be condoned by my voting for such action.

For these reasons I voted Nay on the rule for the conference report on S. 425 in spite of my support for the substance of the bill itself.

SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H.R. 16900 making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, and concur in the Senate amendment to the House amendment to Senate amendment No. 17.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment to the Senate amendment No. 17, as follows:

At the end of amendment numbered 17 in disagreement, strike the period, insert a comma in lieu thereof, and add the following: "except as may be required to enforce nondiscrimination provisions of Federal law".

Mr. MAHON. Mr. Speaker, I ask for recognition.

newals in Florida will be judged on whether the incumbent licensee has rendered substantial service to meet the problems, needs, and interests of the area.

Further, the agency can affect the economic health of the licensee or network in many other non-licensing areas—for example, by changing the multiple ownership rules applicable to networks or large VHF stations, or changing the network programming process through prime-time access and syndication rules.

My point is obvious: Unlike print, the Government is integrally involved in the broadcasting field. So long as one maintains the public interest licensing and pervasive regulatory scheme, elimination of the fairness doctrine does not free the broadcast licensee from the danger of undue Governmental pressure or intrusion, but it does eliminate the check on licensees who would act like WLBT.

In my judgment, therefore, it better serves both the public interest and the First Amendment to retain the fairness doctrine, so long as the public trustee interest licensing scheme is kept.

Both Jencks and Shayon correctly observe that there is no *Constitutional* need to maintain that system—that while the Government must license to prevent engineering choas, there are other alternatives that would serve the public interest and yet free the licensee from Governmental intrusion (e.g., auction or rental of the frequency, with the proceeds going to non-commercial broadcasting or access programming, and with certain rights to paid or free access for limited periods). However, such alternatives are not likely to be adopted in the near future, if ever. If this analysis is correct, the fairness doctrine will continue to be applicable in the next decade, and its problems must therefore be dealt with.

The *Pensions* case is indicative of one trend to deal with these problems. It creates a *mood* that looks with disfavor on governmental intrusion in broadcast journalism, except perhaps in egregious circumstances. Such a mood may be difficult to define and may change over time. But it is nonetheless of great importance for the administration of the fairness doctrine in the coming years.

As Dick Jencks notes, I believe that a further revision is needed to "save the fairness doctrine"—that the Commission should generally examine fairness matters only at renewal time, and then to determine "whether there had been such a pattern of conduct throughout the license period as to indicate malice or reckless disregard of Fairness obligations." (p. 7, Jencks). I can appreciate why Jencks, like Oliver Twist, wants more, but it seems to me that he is not fully taking into account the pubic trustee nature of the present pervasive regulatory scheme.

Judge J. Skelly Wright has pointed out that unike ". . . some areas of the law [where] it is easy to tell the good guys from the bad guys . . . in the current debate over the broadcast media and the First Amendment . . . each debater claims to be the real protector of the First Amendment, and the analytical problems are much more difficult than in ordinary constitutional adjudication." The answers, he pointed out, "are not easy," but he hoped that "with careful study . . . we will find some." Dick Jencks and Bob Shayon admiraby illustrate Judge Wright's point. Both are "good guys" strongly committed to promoting First Amendment goals. Both deplore broadcaster indifference to these goals. And both have made an excellent contribution to the study of the fairness doctrine and to possible courses of action.

INSURING DUE PROCESS IN TRADE PROCEEDINGS

Mr. MATHIAS. Mr. President, last Friday the Senate passed the Trade Reform Act. This week the House-Senate conference committee on this bill will meet to work out differences in the two Houses' versions of this bill. Because certain changes made on the Senate floor, and certain understandings reached during the days leading up to the Senate action are important to insuring fair proceedings and due process in the implementation of this bill and related laws, I would like to make some remarks relevant to the work of the conferees and the conference report on this bill.

The trade reform bill is landmark legislation. It will guide the trade relations among the major nations of the world for years to come. It will affect the economies of all nations, the jobs and livelihoods of millions of citizens throughout the world.

I commend the Senate Finance Committee, and its chairman, Senator RUSSELL LONG, for its detailed and deliberate consideration of this bill. It would be impossible to produce a bill of the complexity and importance which would be acceptable in every part to every Senator. But this is a sound measure, and should be enacted.

In general, the bill gives the President limited authority to negotiate reductions in tariffs and other trade barriers. Conversely, the bill provides that the President should take limited measures to retaliate against unfair trade practices initiated by foreign nations—thereby protecting American industry and American jobs.

The bill provides several methods by which the President can respond to unfair trade practices by foreign governments and industries. Among these are: First, raising tariffs, second, suspending benefits of trade agreements, third, import quotas, and fourth, orderely marketing agreements.

Moreover, the bill strengthens existing statutes requiring the President through the Secretary of the Treasury to impose duties to counteract dumping or countervailing duties imposed by foreign governments.

When this bill was first reported from the Finance Committee, I was pleased to note that the committee provided a process by which American firms and other interested domestic parties could obtain judicial review of certain critical decisions made by Government officials concerning what steps, if any, should be taken to offset dumping or countervailing duties. In the past this right to judicial review has not been extensive, with the unhappy result that the parties with the most direct interest in the decisions of the Secretary of the Treasury or of the U.S. International Trade Committee were not insured of a forum to review the appropriateness of those decisions.

The committee bill, as reported, expanded this right of judicial review. It did not, however, go as far in that direction as I believe is consistent with basic concepts of due process or with the gravity of the issues involved. Consequently, I prepared an amendment which I intended to offer to expand this right further. I am pleased, however, that the committee itself, and most particularly its distinguished chairman, during its own review of the bill, decided that the language reported did not embody the true intentions of the members of the committee and accordingly, the chairman introduced an amendment on his own behalf to expand and clarify this essential right of judicial review.

Since the chairman's amendment was accepted by the Senate, I did not pursue my own activity in this regard. It is my understanding that the judicial review provisions in title III are designed to insure fair and effective enforcement of the unfair trade statutes dealing with antidumping and countervailing duties. Under the antidumping procedures of the bill, the Secretary of the Treasury has the right to dismiss a complaint without initiating any investigation if he should decide that the complaint, in the language of the courts, fails to state a cause of action.

The judicial review provisions of the trade bill were designed to provide for an American manufacturer to have court review of a decision by the Secretary not to undertake an antidumping investigation as well as a review of a determination by the Secretary on the merits that there have not been sales at less than fair value. I would hope that the report of the conference committee would make this intent as to the proper scope of judicial review quite clear.

It is also my understanding of the judicial review provisions allowing an American manufacturer the right of review by the customs court of decisions in the antidumping and countervailing duty area that it is intended that a domestic manufacturer will have at least rights of judicial review equal those afforded to the importers under existing law as contained in section 514 of the Tariff Act of 1930 (19 U.S.C. 1514). I note that there are a number of customs court decisions dealing with importers' appeals from Tariff Commission determinations of inqury in antidumping cases. The customs court has in these cases set forth the areas and scope of judicial review of such Commission decisions dealing with injury—for example, *Orlowitz* v. *United States*, 200 F. Supp. 302, aff'd 457 F. 2d 991, 1972.

Under the protest provisions dealing with the American manufacturer's right of judicial review as contained in this trade bill, the domestic manfacturer would, therefore, have the equivalent right of appeal to the customs court of adverse decisions by the Tariff Commission dealing with the question of injury in both the antidumping proceedings and the countervailing duty cases involving duty free items.

These are some of the results which I sought to insure with the amendment which I prepared for introduction. It is my understanding that they are clearly comprehended by the bill and clearly intended by the managers.

I accordingly commend again the committee, its staff, and its chairman for their work on this legislation and look forward to the results of the conference.

THE FOSTER GRANDPARENT PROGRAM

Mr. THURMOND. Mr. President, recently I received a very thoughtful and delightful poetic description of the Foster Grandparent program in Charleston, S.C. The message in this acrostic is particularly appropriate here in the Christmas season, because it exemplifies the gift of selfless love, joy and peace by a group of concerned senior citizens to needy children. I ask unanimous consent that this beautiful composition be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, the Foster Grandparent program is a very special kind of program which is greatly beneficial both to those older Americans who give themselves to it and to the children who receive the warmth of close personal relationships. This program is authorized under title IV of the Older Americans Act of 1965 and administered and funded by ACTION, the President's Domestic Volunteer Agency. In Charleston, S.C., the county economic opportunity commission receives the funds and operates the program as part of its Community Action efforts. The Charleston program presently involves 64 foster grandparents who give of their time through the department of mental retardation, nursery and day care centers, and other institutions which need volunteer services to help care for children.

The Foster Grandparent program provides a useful way for older adults to contribute to their community in their retirement years and to enjoy the self-respect and satisfaction that come from being needed and serving others. In a very clear manner, it demonstrates that retired persons are willing and able to participate reliably in community service roles on a part-time basis. It also creates opportunities for low-income retirees to supplement their income.

What makes Foster Grandparent such a successful and worthwhile program is the fact that everyone involved benefits—the foster grandparents, children, institutional staff, parents and friends. Foster grandparents demonstrates so well the abilities of older people to provide a reliable and effective community service—helping children to develop to their greatest potential.

I would like to congratulate and thank all of the foster grandparents across the country who have given their time and talents to this most worthwhile endeavor, and I hope other older Americans will see fit to follow their example. I believe if our retired citizens would only look around their communities, they would find numerous ways in which they can bring a greater joy and happiness to themselves and others during this holiday season.

Additionally, all of us need to be more aware and appreciative of the actual and potential contributions of our senior citizens. They are a part of our Nation's wealth and strength, and we should make every effort to use their valuable resources in worthwhile efforts such as the Foster Grandparent program.

EXHIBIT 1

FOSTER GRANDPARENT PROGRAM,
Charleston, S. C., December 1974.

F aith is to believe on the word of God.
O ur strength is often the weakness we're damned if we're going to show.
S eek today to make your tomorrow a time of peace.
T ain't worthwhile to wear a day all out before it comes.
E very day count your blessings over again.
R esources of the spirit are like savings; they must be accumulated before they are needed.

G od touches your life in many ways and speaks to you in many voices.
R each out and capture the joy of today.
A language which the deaf can hear and the blind can read—Kindness.
N ot enough to do our best, sometimes we have to do what's required.
D ecent provisions for the poor is the true test of civilization.
P lease be as kind to me tomorrow O God, as I was kind to my neighbor today.
A long life may not be good enough, but a good life is long enough.
R ather than looking back with self-congratulations—Shape the future!
E verything ripens at its time and becomes fruit at its hour.
N o one grows old by living—only by losing interest in living.
T he natural flights of the human mind is from hope to hope.

P overty has stimulated one talent for each hundred it has blighted.
R eal happiness comes from completing what God gives us to do.
O Lord, reform the world—beginning with me.
G et rid of those prejudices and thoughts that are hopelessly out of date!
R ecreate peace in yourself to reestablish it in others.
A ll the goodness and order in the world are an echo of God.
M ay you win God's blessings and share our joy in the good we are able to do through you.

Our special wish is that the Peace and Joy of this Holy Season be with you all through the year.

FOSTER GRANDPARENTS AND STAFF.

PUBLIC JOBS

Mr. HANSEN. Mr. President, in the Sunday, December 15, edition of the Washington Post, Mr. Robert J. Samuelson has written an editorial entitled, "Public Jobs: Commonsense or Nonsense." Mr. Samuelson notes that unemployment in November reached 6.5 percent, which is the highest rate since 1961. He also states, in light of this figure, the irresisible appeal of public service job proposals is understandable. However, Mr. Samuelson asks a question which I would venture to guess many have not asked. That is, How much good will these proposals if enacted, do?

In light of the passage of S. 4079, and H.R. 16596, the Special Employment Assistance Acts of 1974, which I opposed, I feel the points in Mr. Samuelson's article deserve consideration and ask unanimous consent that the article be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HANSEN. Mr. President, Mr. Samuelson treats many of the inherent dilemmas associated with the economy and public service jobs in his editorial. There is a split of authority between economists as to whether public service jobs will solve our economic plight. Some believe economic stimulus is needed to prevent deep recession and public service jobs will provide this stimulus. Others believe some unemployment may be necessary to cool inflationary fires since public service jobs are only financed by the creation of more Federal money. Regardless of this dilemma, both schools of economic thought have agreed this Special Employment Assistance Act has not solved the problem.

Mr. Samuelson observes:

> Finally, if—as many economists believe—a prolonged period of relative high unemployment is the unavoidable price of curbing inflation, then a jobs program may simply postpone the inevitable, or cause more inflation. Many economists who believe differently—that is, those who favor strong economic stimulus to relieve unemployment—think a jobs program will be too small to do much good.

Other dilemmas which are not solved by this bill are numerous. Should these jobs be new jobs for the disadvantaged or should they attempt to hire those perhaps better qualified who have recently been dismissed due to lack of State funds. The jobs should be jobs to help our economy over the roughest inflationary period and yet should not be programs which turn into deposits for permanent Federal funding for Federal and State jobs.

The dilemmas are inherent and numerous. However, the Special Emergency Assistance Act of 1974 which authorizes $4 billion to create about 500,000 jobs, representing less than 1 percent of the unemployment total and which contributes insignificantly to providing a productive job program while it continues to increase inflationary spending, is not my idea of a commonsense solution.

EXHIBIT 1

PUBLIC JOBS: COMMONSENSE OR NONSENSE?
(By Robert J. Samuelson)

It's almost impossible to suggest doing anything about the economy these days without running into someone who will suggest just the opposite. You name it—wage-price controls, a tax increase, spending cuts, a tax reduction—and somebody's against it. Except, of course, for "public service" jobs. Nobody, it seems, is against them.

Who could be? With the unemployment rate at 6.5 per cent in November, its highest level since 1961, public service job proposals

the conferees, and minor drafting and clarifying changes.

The social services provisions generally follow the House bill, which provides the conditions for State entitlement to social services funds under a new title XX of the Social Security Act with the following exceptions:

The Senate provisions requiring that three types of services be available to recipients of supplemental security income and that family planning services be offered to each appropriate person receiving aid to families with dependent children were accepted.

The House provision for fees for services for families and individuals with incomes between 80 and 115 percent of the State's median family income was retained with a provision that the Secretary of Health, Education, and Welfare is to issue regulations relating to fees for those with incomes below this level and for welfare recipients.

The conferees agreed to the Senate provisions regarding standards for child care with respect to the ratio of adults to children of various ages and making the educational component of child care recommended rather than mandatory. In the case of children under three, the ratio is left to regulations of the Secretary of Health, Education, and Welfare.

The Senate bill included provision for Puerto Rico, the Virgin Islands, and Guam to share in the $2.5 billion ceiling for Federal expenditures for social services on the basis of their populations in relation to that of the States. Money would be available for them only if it remained unused in the amount available for allotment to the States. There was no comparable provision in the House bill. The conference agreement provides that Puerto Rico may receive up to $15 million for social services (if it is available after the States have received their allotments) and Guam and the Virgin Islands may each receive up to $500,000 under the same circumstances.

The conferees agreed to that part of the Senate amendment which would retain provisions of existing law with respect to separate agencies which have been authorized to administer services to the blind and child welfare services. The House bill contained no explicit provision on this subject.

The conference agreement eliminates many of the requirements in the House bill regarding program reporting, evaluation and audit, permitting the Secretary to require reports concerning the uses of service funds which shall be the basis of his annual report to the Congress. The House provision for a hearing to the State on the issue of failure to comply under the requirements is retained, and the Secretary is given the alternative of terminating payments to the State or imposing a reduction of three percent for each area of activity in which there is substantial noncompliance.

The provisions of the House bill regarding maintenance of effort were retained but clarified so that they applied only to appropriated funds and not to donated funds.

The effective date was advanced from July 1, 1975, to October 1, 1975, with the existing moratorium on regulations remaining in effect until that time.

A Senate provision regarding the funding of social work training made existing law explicit by specifying that States might make such grants to persons in educational institutions and to the institutions.

The Senate amendment providing a tax credit for low-income workers and families was dropped by the conferees.

The conference agreement generally accepts the Senate provisions on child support with the following modifications. It does not require appointment of an Assistant Secretary for child support but does require the Secretary of Health, Education, and Welfare to designate a person in charge of an organizational unit responsible for child support activities. It provides that the Internal Revenue Service shall be used for collection of child support obligations only based on noncompliance with a court order and only after a one-time 60-day notice to a parent of the intent to enforce payments under this procedure. The procedures for child support apply equally to absent fathers and absent mothers. A provision in the Senate amendment for the establishment of regional laboratories to perform the blood-typing work necessary for the purposes of establishing paternity was deleted.

AL ULLMAN,
JAMES A. BURKE,
MRS. GRIFFITHS,
DAN ROSTENKOWSKI,
H. T. SCHNEEBELI,
BARBER B. CONABLE,
JERRY L. PETTIS,
Managers on the Part of the Senate.

RUSSELL B. LONG,
VANCE HARTKE,
ABE RIBICOFF,
W. F. MONDALE,
PAUL FANNIN,
CLIFFORD P. HANSEN,
ROBERT DOLE,
Managers on the Part of the House.

CONFERENCE REPORT ON H.R. 10710, TRADE REFORM ACT OF 1973

Mr. ULLMAN submitted the following conference report and statement on the bill H.R. 10710, to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 1644)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 21, 22, 34, 36, 66, 67, 135, 170, 180, 181, 201, 235, 251, 273, 292, 346, 348, 351, 397, 398, and 399.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 6, 7, 8, 9, 11, 15, 16, 17, 19, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 38, 39, 40, 41, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 81, 82, 83, 84, 85, 86, 87, 88, 89, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 140, 141, 142, 143, 144, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 160, 162, 163, 164, 165, 166, 167, 168, 169, 171, 173, 175, 176, 177, 178, 179, 182, 183, 184, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 200, 202, 203, 204, 205, 206, 208, 211, 212, 213, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 250, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 274, 275, 276, 277, 278, 279, 280, 282, 283, 284, 285, 286, 287, 288, 290, 291, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 321, 323, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 344, 345, 349, 350, 353, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 371, 372, 373, 374, 375, 376, 377, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 390, 391, 392, 395, 403, 404, 405, 406, 408, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 432, 433, and 434, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with the following amendments:

On page 5 of the Senate engrossed amendments, in the table of contents for title IV, strike out all beginning with "Sec. 409" and insert the following:

Sec. 409. Freedom to emigrate to join a very close relative in the United States.
Sec. 410. East-West Trade Statistics Monitoring System.
Sec. 411. East-West Foreign Trade Board.

On page 5 of the Senate engrossed amendments, at the end of the table of contents for title VI, insert the following:

Sec. 613. Limitation on credit to Russia.

And the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate Numbered 3, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

The purposes of this Act are, through trade agreements affording mutual benefits,—

(1) to foster the economic growth of and full employment in the United States and to strengthen economic relations between the United States and foreign countries through open and nondiscriminatory world trade;

(2) to harmonize, reduce, and eliminate barriers to trade on a basis which assures substantially equivalent competitive opportunities for the commerce of the United States;

(3) to establish fairness and equity in international trading relations, including reform of the General Agreement on Tariffs and Trade;

(4) to provide adequate procedures to safeguard American industry and labor against unfair or injurious import competition, and to assist industries, firm, workers, and communities to adjust to changes in international trade flows;

(5) to open up market opportunities for United States commerce in nonmarket economies; and

(6) to provide fair and reasonable access to products of less developed countries in the United States market. ; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with the following amendments:

On page 9, line 4, of the Senate engrossed amendments, strike out "50 percent" and insert the following: 40 percent.

On page 9, line 8, of the Senate engrossed amendments, strike out "10 percent" and insert the following: 5 percent.

And the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with the following amendments:

On page 10, line 5, of the Senate engrossed amendments, strike out "(I)".

On page 10 of the Senate engrossed amendments, beginning with line 19, strike out all through line 13 on page 11.

On page 12 of the Senate engrossed amendments, strike out lines 9 through 21 and insert the following: with a draft of an implementing bill (described in section 151(b))

and a statement of any administrative action proposed to implement such agreement, to the Congress as provided in subsection (e), and such agreement shall enter into force with respect to the United States only if the provisions of subsection (e) are complied with and the implementing bill submitted by the President is enacted into law.

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

On page 15, lines 22 and 23, of the Senate engrossed amendments, strike out "and consistent with the provisions of section 103"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

On page 16, line 20, of the Senate engrossed amendments, strike out "principal"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows:

On page 17, line 3, of the Senate engrossed amendments, strike out "principal"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(1) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed pursuant to section 101(a)

(2) to carry out such agreement with respect to such article, and

(2) a reduction equal to the amount applicable under paragraph (1) had taken effect at 1 year intervals after the effective date of such first reduction.

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with the following amendments:

On page 22, line 10, of the Senate engrossed amendments, strike out "(12)" and insert the following: (11).

On page 22, line 14, of the Senate engrossed amendments, after the comma insert the following: and.

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(12) consistent with the provisions of section 107, any revisions necessary to establish within the GATT an international agreements on articles (including footwear), including the creation of regular and institutionalized mechanisms for the settlement of disputes, and of a surveillance body to monitor all international shipments in such articles.

And the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

On page 24, line 21, of the Senate engrossed amendments, strike out "180" and insert the following: 150; and the Senate agreed to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(c) Before entering into any trade agreement under this section with any foreign country or instrumentality, the President shall consider whether such country or instrumentality has violated trade concessions of benefit to the United States and such violation has not been adequately offset by the action of the United States or by such country or instrumentality.

And the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment, as follows:

On page 32, line 12, of the Senate engrossed amendments, strike out "July" and insert the following: January; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows:

On page 32, line 21, of the Senate engrossed amendments, strike out "shall" and insert the following: may; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows:

On page 34, line 13, of the Senate engrossed amendments, after "agreements" insert the following: entered into under this Act.

On page 34, line 17, of the Senate engrossed amendments, after "agreements" insert the following: entered into under this Act.

And the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

(c) If the President determines under subsection (b) that a major industrial country has not made concessions under trade agreements entered into under this Act which provide substantially equivalent competitive opportunities for the commerce of the United States, he shall, either generally with respect to such country or by article produced by such country, in order to restore equivalence of competitive opportunities, recommend to the Congress—

(1) legislation providing for the termination or denial of the benefits of concessions of trade agreements entered into under this Act made with respect to rates of duty or other import restrictions by the United States; and

(2) that any legislation necessary to carry out any trade agreement under section 102 shall not apply to such country.

And the Senate agree to the same.

Amendment numbered 145: That the House recede from its disagreement to the amendment of the Senate numbered 145, and agree to the same with an amendment, as follows:

Restore the matter proposed to be stricken out, and on page 37, line 13 of the House engrossed bill, strike out "(j)" and insert the following: (k); and the Senate agree to the same.

Amendment numbered 159: That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with the following amendments:

On page 48 of the Senate engrossed amendments, beginning with "negotiation" in line 16, strike out all through "(b)(5)," in line 18.

On page 50 of the Senate engrossed amendments, beginning with line 10, strike out all through line 6 on page 51.

On page 53 of the Senate engrossed amendments, beginning with line 2, strike out all through line 22 on page 54.

On page 54 of the Senate engrossed amendments, strike out lines 24 and 25 and insert the following: implementing bill or approval resolution shall be in order.

On page 55 of the Senate engrossed amendments beginning with "bill" in line 11, strike out all through "disapproval" in line 12 and insert the following: bill or approval.

On page 55 of the Senate engrossed amendments, beginning with "bill" in line 24, strike out all through line 13 on page 56 and insert the following: bill or approval resolution of that House, that House receives the same implementing bill or approval resolution from the other House, then—

(A) the procedure in that House shall be the same as if no implementing bill or approval resolution had been received from the other House; but

(B) the vote on final passage shall be on the implementing bill or approval resolution of the other House.

On page 57 of the Senate engrossed amendments, beginning with line 10, strike out all through line 8 on page 60 and insert the following:

(f) FLOOR CONSIDERATION IN THE HOUSE.—

(1) A motion in the House of Representatives to proceed to the consideration of an implementing bill or approval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the House of Representatives on an implementing bill or approval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the bill or resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit an implementing bill or approval resolution or to move to reconsider the vote by which an implementing bill or approval resolution is agreed to or disagreed to.

(3) Motions to postpone, made in the House of Representatives with respect to the consideration of an implementing bill or approval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to an implementing bill or approval resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of an implementing bill or approval resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

(g) Floor Consideration in the Senate.—

(1) A motion in the Senate to proceed to the consideration of an implementing bill or approval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on an implementing bill or approval resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the majority

leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motion or appeal in connection with an implementing bill or approval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill or resolution, except that in the event the manager of the bill or resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of an implementing bill or approval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion in the Senate to further limit debate is not debatable. A motion to recommit an implementing bill or approval resolution is not in order.

And the Senate agree to the same.

Amendment numbered 161: That the House recede from its disagreement to the amendment of the Senate numbered 161, and agree to the same with the following amendments:

On page 61, line 13, of the Senate engrossed amendments, after "by" insert the following: , or the determination of,.

On page 62, line 12, of the Senate engrossed amendments, strike out "(b)', '403 (b)', '409 (b)', or '411(b)'" and insert the following: (b) " or "409(b)".

And the Senate agree to the same.

Amendment numbered 172: That the House recede from its disagreement to the amendment of the Senate numbered 172, and agree to the same with an amendment, as follows:

On page 72 of the Senate engrossed amendments, beginning with "Such" in line 1 strike out all through line 9; and the Senate agree to the same.

Amendment numbered 174: That the House recede from its disagreement to the amendment of the Senate numbered 175, and agree to the same with an amendment as follows:

On page 73 of the Senate engrossed amendments, beginning with line 4, strike out all through line 5 on page 75 and insert the following:

"(a) MEMBERSHIP.—The United States International Trade Commission (referred to in this title as the "Commission") shall be composed of six commissioners who shall be appointed by the President, by and with the advice and consent of the Senate. No person shall be eligible for appointment as a commissioner unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of international trade problems and efficiency in administering the duties and functions of the Commission. A person who has served as a commissioner for more than 5 years (excluding service as a commissioner before the date of the enactment of the Trade Act of 1974) shall not be eligible for reappointment as a commissioner. Not more than three of the commissioners shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"(b) TERMS OF OFFICE.—The terms of office of the commissioners holding office on the date of the enactment of the Trade Act of 1974 which (but for this sentence) would expire on June 16, 1975, June 16, 1976, June 16, 1977, June 16, 1978, June 16, 1979, and June 16, 1980, shall expire on December 16, 1976, June 16, 1978, December 16, 1979, June 16, 1981, December 16, 1982, and June 16, 1984, respectively. The term of office of each commissioner appointed after such date shall expire 9 years from the date of the expiration of the term for which his predecessor was appointed, except that any commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term."

(b) Subsection (c) of such section is amended—

(1) by striking out "The" in the first sentence and inserting in lieu thereof "(1) Except as provided in paragraph (2), the"; and

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

"(2) Effective on and after June 17, 1975, the commissioner whose term is first to expire and who has at least 18 months remaining in his term shall serve as chairman during the last 18 months of his term (or, in the case of a commissioner appointed to fill a vacancy occurring during such 18-month period, during the remainder of his term), and the commissioner whose term is second to expire and who has at least 36 months remaining in his term shall serve as vice chairman during the same 18-month period (or, in the case of a commissioner appointed to fill a vacancy occurring during such 18-month period, during the remainder of such 18-month period)."

And the Senate agree to the same.

Amendment numbered 185: That the House recede from its amendment numbered 185, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(C) may, in the case of one or more domestic producers, who produce a like or directly competitive article in a major geographic area of the United States, and whose production facilities in such area for such article constitute a substantial portion of the domestic industry in the United States and primarily serve the market in such area, and where the imports are concentrated in such area, treat as such domestic industry only that segment of the production located in such area.

And the Senate agrees to the same.

Amendment numbered 198: That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with the following amendments:

On page 80, line 15 of the Senate engrossed amendments, immediately after "section 203," insert the following: unless he determines that provision of such relief is not in the national economic interest of the United States,.

On page 81, line 7, of the Senate engrossed amendments, immediately after "60 days", insert the following: (30 days in the case of a supplemental report under subsection (d)).

On page 81, line 11, of the Senate engrossed amendments, immediately after "60-day", insert the following: (or 30-day).

On page 81, line 14, of the Senate engrossed amendments, immediately after "provide,", insert the following: or determine that the provision of such relief is not in the national economic interest of the United States, .

And the Senate agree to the same.

Amendment numbered 199: That the House recede from its disagreement to the amendment of the Senate numbered 199, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: whether to provide import relief and what method and amount of import relief he will provide; and the Senate agree to the same.

Amendment numbered 207: That the House recede from its disagreement to the amendment of the Senate numbered 207, and agree to the same with the following amendment:

On page 82, line 16, of the Senate engrossed amendments, strike out "is required" and insert in lieu thereof the following: determines; and the Senate agree to the same.

Amendment numbered 209: That the House recede from its disagreement to the amendment of the Senate numbered 209, and agree to the same with the following amendments:

On page 83, beginning with line 3, of the Senate engrossed amendments, after "(b)" insert the following: (1).

Page 83, after line 10, of the Senate engrossed amendment, insert the following:

(2) On the day on which the President determines that the provision of import relief is not in the national economic interest of the United States, the President shall transmit to Congress a document setting forth such determination and the reasons why, in terms of the national economic interest, he is not providing import relief and also what other steps he is taking, beyond adjustment assistance programs immediately available to help the industry to overcome serious injury and the workers to find productive employment.

Amendment numbered 210: That the House recede from its disagreement to the amendment of the Senate numbered 210, and agree to the same with the following amendments:

On page 83, line 14, of the Senate engrossed amendments, immediately after the comma, insert the following: or that he will not provide import relief.

On page 83, line 22, of the Senate engrossed amendments, immediately before "under", insert the following: or his determination not to provide import relief.

And the Senaate agree to the same.

Amendment numbered 214: That the House recede from its disagreement to the amendment of the Senate numbered 214, and agree to the same with an amendment, as follows:

On page 85, line 10, of the Senate engrossed amendments, beginning with "as to", strike out through the period on line 11 and insert in lieu thereof a period; and the Senate agree to the same.

Amendment numbered 234: That the House recede from its disagreement to the amendment of the Senate numbered 234, and agree to the same with an amendment, as follows:

Restore the matter proposed to be stricken out and on page 63, line 3, of the House engrossed bill, strike out "Tariff", and strike out "(j)(2)" and insert the following: (i)(2); and the Senate agree to the same.

Amendment numbered 249: That the House recede from its disagreement to the amendment of the Senate numbered 249, and agree to the same with the following amendments:

On page 88, line 16, of the Senate engrossed amendments, immediately after "9K)", insert the following: (1).

On page 88, after line 20, of the Senate engrossed amendments, insert the following:

(2) If the Commission treats as the domestic industry production located in a major geographic area of the United States under section 201(b)(3)(C), then the President shall take into account the geographic concentration of domestic production and of imports in that area in providing import relief, if any, which may include actions authorized under paragraph (1).

And the Senate agree to the same.

Amendment numbered 262: That the House recede from its disagreement to the amendment of the Senate numbered 262, and agree to the same with an amendment, as follows:

On page 90, line 6, of the Senate engrossed amendments, strike out "75" and insert the following: 70; and the Senate agree to the same.

Amendment numbered 281: That the

House recede from its disagreement to the amendment of the Senate numbered 281, and agree to the same with an amendment, as follows:

On page 93, beginning with line 21, of the Senate engrossed amendments, strike out through line 3 on page 94 and insert in lieu thereof the following:

(2) There are authorized to be appropriated to the Trust Fund, for purposes of training (including administrative costs) under section 236 such sums as may be necessary.; and the Senate agree to the same.

Amendment numbered 289: That the House recede from its disagreement to the amendment of the Senate numbered 289, and agree to the same with an amendment, as follows:

On page 95, line 14, of the Senate engrossed amendments, strike out "or group of workers,". and insert in lieu thereof a comma and the following: group of workers, certified or recognized union,; and the Senate agree to the same.

Amendment numbered 320: That the House recede from its disagreement to the amendment of the Senate numbered 320, and agree to the same with the following amendments:

On page 101, line 20, of the Senate engrossed amendments, strike out "absolute".

On page 106, beginning with line 5 of the Senate engrossed amendments, strike out through line 9.

On page 106, line 10, of the Senate engrossed amendments, strike out "(3)" and insert in lieu thereof the following: (1).

On page 106, line 11, strike out "1980," and insert in lieu thereof the following: 1982,.

On page 106, line 12, of the Senate engrossed amendments, strike out "(4)" and insert in lieu thereof the following: (2).

On page 106, line 15, of the Senate engrossed amendments, strike out "(5)" and insert in lieu thereof the following: (3).

On page 106, line 16, of the Senate engrossed amendments, immediately after "subsection" insert the following: by the United States.

On page 106, beginning with line 18, of the Senate engrossed amendments, strike out through line 24 on page 111 and insert in lieu thereof the following:

(e) The Governor of the State, the authorized representative of the community, or the Governor of the State and the authorized representative of the community, in which an applicant for a loan guarantee under subsection (b) is located may enter into an agreement with the Secretary which provides that such State or such community, or that such State and such community, will pay not to exceed one-half of the amount of any liability which arises on a loan guarantee made under subsection (d) if the State in which the applicant for such guarantee is located has established by law a program approved by the Secretary for the purposes of this section.

On page 111, beginning with line 25, of the Senate engrossed amendments, strike out through line 2 on page 112 and insert in lieu thereof the following:

(f)(1) When considering whether to guarantee a loan to a corporation which is otherwise qualified for the purposes of subsection (d), the Secretary shall give preference to a corporation which agrees with respect to such loan to fulfill the following requirements—

On page 112, line 15, of the Senate engrossed amendments, strike out "section" and insert in lieu thereof the following: subsection.

On page 113, line 6, of the Senate engrossed amendments, strike out "section" and insert in lieu thereof the following: subsection.

On page 116, line 7, of the Senate engrossed amendments, strike out "(1)".

On page 116, line 7, of the Senate engrossed amendments, strike out "Federal Government" and insert in lieu thereof: United States.

On page 116, beginning with line 10, of the Senate engrossed amendments, strike out through line 12.

On page 117, line 8, of the Senate engrossed amendments, strike out "5" and insert in lieu thereof the following: 7.

And the Senate agree to the same.

Amendment numbered 322: That the House recede from its disagreement to the amendment of the Senate numbered 322, and agree to the same with an amendment, as follows:

On page 117, line 21, of the Senate engrossed amendments, strike out "January 30, 1979" and insert the following: January 31, 1980; and the Senate agree to the same.

Amendment numbered 324: That the House recede from its disagreement to the amendment of the Senate numbered 324, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 282. TRADE MONITORING SYSTEM.

The Secretary of Commerce and the Secretary of Labor shall establish and maintain a program to monitor imports of articles into the United States which will reflect changes in the volume of such imports, the relation of such imports to changes in domestic production, changes in employment within domestic industries producing articles like or directly competitive with such imports, and the extent to which such changes in production and employment are concentrated in specific geographic regions of the United States. A summary of the information gathered under this section shall be published regularly and provided to the Adjustment Assistance Coordinating Committee, the International Trade Commission, and to the Congress.

And the Senate agree to the same.

Amendment numbered 325: That the House recede from its disagreement to the amendment of the Senate numbered 325, and agree to the same with the following amendment: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 283. FIRMS RELOCATING IN FOREIGN COUNTRIES.

Before moving productive facilities from the United States to a foreign country, every firm should—

(1) provide notice of the move to its employees who are likely to be totally or partially separated as a result of the move at least 60 days before the date of such move, and

(2) provide notice of the move to the Secretary of Labor and the Secretary of Commerce on the same day it notifies employees under paragraph (1).

(b) It is the sense of the Congress that every such firm should—

(1) apply for and use all adjustment assistance for which it is eligible under this title,

(2) offer employment opportunities in the United States, if any exist, to its employees who are totally or partially separated workers as a result of the move, and

(3) assist in relocating employees to other locations in the United States where employment opportunities exist.

And the Senate agree to the same.

Amendment numbered 326: That the House recede from its disagreement to the amendment of the Senate numbered 326, and agree to the same with the following amendment:

On page 122, line 2, of the Senate engrossed amendments, strike out "1980." and insert in lieu thereof the following: 1982; and the Senate agree to the same.

Amendment numbered 343: That the House recede from its disagreement to the amendment of the Senate numbered 343, and agree to the same with an amendment, as follows:

On page 131, line 23, of the Senate engrossed amendments, strike out "may" and insert the following: shall; and the Senate agree to the same.

Amendment numbered 347: That the House recede from its disagreement to the amendment of the Senate numbered 347, and agree to the same with an amendment, as follows:

On page 133, line 24, of the Senate engrossed amendments, strike out "(g)" and insert the following: (f); and the Senate agree to the same.

Amendment numbered 352: That the House recede from its disagreement to the amendment of the Senate numbered 352, and agree to the same with the following amendments:

On page 137, line 12, of the Senate engrossed amendments, strike out "(4)" and insert the following: (3).

On page 137, line 12, of the Senate engrossed amendments, strike out "(g)" and insert the following: (f).

And the Senate agree to the same.

Amendment numbered 354: That the House recede from its disagreement to the amendment of the Senate numbered 354, and agree to the same with the following amendments:

On page 141, line 22, of the Senate engrossed amendments, strike out "two-year" and insert the following: four-year.

On page 142 of the Senate engrossed amendments, strike out lines 17 through 20 and insert the following: during the remainder of such four-year period. This paragraph shall not apply with respect to any case involving non-rubber footwear pending on the date of the enactment of the Trade Act of 1974 until and unless agreements which temporize imports of non-rubber footwear become effective.

And the Senate agree to the same.

Amendment numbered 369: That the House recede from its disagreement to the amendment of the Senate numbered 369, and agree to the same with an amendment, as follows:

On page 146 of the Senate engrossed amendments, beginning with "The" in line 4 strike out all through line 6; and the Senate agree to the same.

Amendment numbered 370: That the House recede from its disagreement to the amendment of the Senate numbered 370, and agree to the same with an amendment, as follows:

On page 148 of the Senate engrossed amendments, beginning with "presented" in line 14, strike out all through "presented" in line 16 and insert the following: presented in all cases; and the Senate agree to the same.

Amendment numbered 378: That the House recede from its disagreement to the amendment of the Senate numbered 378, and agree to the same with the following amendments:

On page 162 of the Senate engrossed amendments beginning with line 19, strike out all through line 11 on page 164 and insert the following:

(a) Notwithstanding any other provision of law, if the President determines that a nonmarket economy country is not cooperating with the United States—

(1) to achieve a complete accounting of all United States military and civilian personnel who are missing in action in Southeast Asia,

(2) to repatriate such personnel who are alive, and

(3) to return the remains of such personnel who are dead to the United States,

then, during the period beginning with the date of such determination and ending on the date on which the President determines such country is cooperating with the United States, he may provide that—

(A) the products of such country may not receive nondiscriminatory treatment,

(B) such country may not participate, directly or indirectly, in any program under which the United States extends credit, credit guarantees, or investment guarantees, and

(C) no commercial agreement entered into under this title between such country and the United States will take effect.

On page 164, line 12, of the Senate engrossed amendment strike out "(c)" and insert the following: (b)

And the Senate agree to the same.

Amendment numbered 389: That the House recede from its disagreement to the amendment of the Senate numbered 389, and agree to the same with the following amendments:

On page 170, lines 12 and 13 of the Senate engrossed amendments, strike out "Special Representative for Trade Negotiations" and insert the following: President

On page 170, line 14, of the Senate engrossed amendments, strike out "Special Representative" and insert the following: President

On page 170, line 19, of the Senate engrossed amendments, strike out "Special Representative" and insert: President

On page 171 of the Senate engrossed amendments, strike out lines 3 through 7 and insert the following:

(2) Market disruption exists within a domestic industry whenever imports of an article, like or directly competitive with an article produced by such domestic industry, are increasing rapidly, either absolutely or relatively, so as to be a significant cause of material injury, or threat thereof, to such domestic industry.

And the Senate agree to the same.

Amendment numbered 393: That the House recede from its disagreement to the amendment of the Senate numbered 393, and agree to the same with the following amendments:

On page 171, lines 19 and 20 of the Senate engrossed amendments, strike out "402 (b), 403 (b), 409 (b), or 411 (b)" and insert the following: 402 (b) or 409 (b).

On page 171, line 23, of the Senate engrossed amendments, strike out the comma.

On page 172, line 1, of the Senate engrossed amendments, strike out "403 (b), 409 (b), or 411 (b)" and insert the following: or 409 (b).

And the Senate agree to the same.

Amendment numbered 394: That the House recede from its disagreement to the amendment of the Senate numbered 394, and agree to the same with the following amendments:

On page 173, line 9, of the Senate engrossed amendments, strike out "402 (b), 403 (b), 409 (b), or 411 (b)" and insert the following: 402 (b) or 409 (b).

On page 174 of the Senate engrossed amendments, beginning with "Clause" in line 4, strike out all through line 6.

And the Senate agree to the same.

Amendment numbered 396: That the House recede from its disagreement to the amendment of the Senate numbered 396, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 408. PAYMENT BY CZECHOSLOVAKIA OF AMOUNTS OWED UNITED STATES CITIZENS AND NATIONALS.

(a) The arrangement initialed on July 5, 1974, with respect to the settlement of the claims of citizens and nationals of the United States against the Government of Czechoslovakia shall be renegotiated and shall be submitted to the Congress as part of any agreement entered into under this title with Czechoslovakia.

(b) The United States shall not release any gold belonging to Czechoslovakia and controlled directly or indirectly by the United States pursuant to the provisions of the Paris Reparations Agreement of January 24, 1946, or otherwise, until such agreement has been approved by the Congress.

And the Senate agree to the same:

Amendment numbered 400: That the House recede from its disagreement to the amendment of the Senate numbered 400, and agree to the same with the following amendments:

On page 178, line 6, of the Senate engrossed amendments, strike out "411" and insert the following: 409

On page 180 of the Senate engrossed amendments, after line 2 insert the following:

(c) This section shall not apply to any country the products of which are eligible for the rates set forth in rate column numbered 1 of the Tariff Schedules of the United States on the date of enactment of this Act.

(d) During any period that a waiver is in effect with respect to any nonmarket economy country under section 402(c), the provisions of subsections (a) and (b) shall not apply with respect to such country.

And the Senate agree to the same.

Amendment numbered 401: That the House recede from its disagreement to the amendment of the Senate numbered 401, and agree to the same with an amendment, as follows:

On page 180, line 3, of the Senate engrossed amendments, strike out "412" and insert the following: 410; and the Senate agree to the same.

Amendment numbered 402: That the House recede from its disagreement to the amendment of the Senate numbered 402, and agree to the same with an amendment, as follows:

On page 181, beginning with line 4, of the Senate engrossed amendments, strike out through line 17 on page 185 and insert in lieu thereof the following:

SEC. 411. EAST-WEST FOREIGN TRADE BOARD.

(a) The President shall establish an East-West Foreign Trade Board (hereinafter referred to as the "Board") to monitor trade between persons and agencies of the United States Government and nonmarket economy countries or instrumentalities of such countries to insure that such trade will be in the national interest of the United States.

(b)(1) Any person who exports technology vital to the national interest of the United States to a nonmarket economy country or an instrumentality of such country, and any agency of the United States which provides credits, guarantees or insurance to such country or such instrumentality in an amount in excess of $5,000,000 during any calendar year, shall file a report with the Board in such form and manner as the Board requires which describes the nature and terms of such export or such provision.

(2) For purposes of paragraph (1), if the total amount of credits, guarantees and insurance which an agency of the United States provides to all nonmarket economy countries and the instrumentalities of such countries exceeds $5,000,000 during a calendar year, then all subsequent provisions of credits, guarantees or insurance in any amount, during such year shall be reported to the Board under the provisions of paragraph (1).

(c) The Board shall submit to Congress a quarterly report on trade between the United States and nonmarket economy countries and instrumentalities of such countries. Such report shall include a review of the status of negotiations of bilateral trade agreements between the United States and such countries under this title, the activities of joint trade commissions created pursuant to such agreements, the resolution of commercial disputes between the United States and such countries, any exports from such countries which have caused disruption of United States markets, and recommendations for the promotion of east-west trade in the national interest of the United States.

And the Senate agree to the same.

Amendment numbered 407: That the House recede from its disagreement to the amendment of the Senate numbered 407, and agree to the same with amendments:

On page 186, beginning with line 21, of the Senate engrossed amendments, strike out through line 4 on page 187 and insert in lieu thereof the following:

(2) if such country is a member of the Organization of Petroleum Exporting Countries, or a party to any other arrangement of foreign countries, and such country participates in any action pursuant to such arrangement the effect of which is to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level and to cause serious disruption of the world economy;

On page 187, line 5, strike out "(4)" and insert in lieu thereof the following: (3).

On page 187, line 15, of the Senate engrossed amendments, strike out "(5)" and insert in lieu thereof the following: (4).

On page 189, line 7, of the Senate engrossed amendments, strike out "(6)" and insert in lieu thereof the following: (5).

On page 189, line 7, of the Senate engrossed amendments, immediately after "to", insert the following: cooperate with the United States to.

On page 189, line 14, strike out "(7)" and insert in lieu thereof the following: (6).

On page 189, after line 21 on the Senate engrossed amendments, insert the following: Paragraphs (4), (5), and (6) shall not prevent the designation of any country as a beneficiary developing country under this section if the President determines that such designation will be in the national economic interest of the United States and reports such determination to the Congress with his reasons therefor.

And the Senate agree to the same.

Amendment numbered 409: That the House recede from its disagreement to the amendment of the Senate Numbered 409, and agree to the same with an amendment, as follows:

On page 190, line 10, of the Senate engrossed amendments, strike out "Reform"; and the Senate agree to the same.

Amendment Numbered 410: That the House recede from its disagreement to the amendment of the Senate Numbered 410, and agree to the same with an amendment, as follows:

On page 190, line 19, of the Senate engrossed amendments, strike out "paragraphs (2) and (3)" and insert in lieu thereof the following: paragraph (2) and the Senate agree to the same.

Amendment numbered 411: That the House recede from its disagreement to the amendment of the Senate Numbered 411, and agree to the same with amendments, as follows:

On page 193, line 6, of the Senate engrossed amendments, strike out "footware" and insert the following: footwear.

On page 193, line 10, of the Senate engrossed amendments, immediately after "(F)", insert the following: import-sensitive.

And the Senate agree to the same.

Amendment numbered 412: That the House recede from its disagreement to the amendment of the Senate Numbered 412, and agree to the same with an amendment, as follows:

On page 195, line 24, of the Senate engrossed amendments, immediately after "produced", insert the following: on the date of enactment of this Act; and the Senate agree to the same.

Amendment numbered 430: That the House recede from its disagreement to the amendment of the Senate numbered 430, and agree to the same with an amendment, as follows:

On page 199, beginning with line 23, of the Senate engrossed amendments, strike out through line 25 and insert in lieu thereof the following:

(b) In carrying out the responsibilities under section 484(e), Tariff Act of 1930 and other pertinent statutes, the Secretary of Commerce and the United States International Trade Commission shall conduct jointly a study of existing commodity classification systems with a view to identifying the appropriate principles and concepts which should guide the organization and development of an enumeration of articles which would result in comparability of United States import, production, and export data. The Secretary and the United States International Trade Commission shall submit a report to both Houses of Congress and to the President with respect to such study no later than August 1, 1975.

(c) In further connection with its responsibilities pursuant to subsections (a) and (b), the United States International Trade Commission shall undertake an investigation under section 332(g) of the Tariff Act of 1930 which would provide the basis for—

(1) a report on the appropriate concepts and principles which should underlie the formulation of an international commodity code adaptable for modernized tariff nomenclature purposes and for recording, handling, and reporting of transactions in national and international trade, taking into account how such a code could meet the needs of sound customs and trade reporting practices reflecting the interests of United States and other countries, such report to be submitted to both Houses of Congress and to the President as soon as feasbile, but in any event, no later than June 1, 1975; and

(2) full and immediate participation by the United States International Trade Commission in the United States contribution to technical work of the Harmonized Systems Committee under the Customs Cooperation Council to assure the recognition of the needs of the United States business community in the development of a Harmonized Code reflecting sound principles of commodity identification and specification and modern producing methods and trading practices, and, in carrying out such responsibilities, the Commission shall report to both Houses of Congress and to the President, as it deems appropriate.

(d) The President is requested to direct the appropriate agencies to cooperate fully with the Secretary of Commerce and the United States International Trade Commission in carrying out their responsibilities under subsections (a), (b), and (c).

(e) The amendment made by subsection (a) insofar as it relates to export declarations shall take effect on January 1, 1976,

And the Senate agree to the same.

Amendment numbered 431: That the House recede from its disagreement to the amendment of the Senate Numbered 431, and agree to the same with an amendment, as follows:

On page 200, line 12, of the Senate engrossed amendments, strike out "current monthly" and insert in lieu thereof the following: quarterly; and the Senate agree to the same.

Amendment numbered 435: That the House recede from its disagreement to the amendment of the Senate Numbered 435, and agree to the same with amendments, as follows:

On page 203, line 21, of the Senate engrossed amendments, strike out "Reform".

On page 203, line 22, of the Senate engrossed amendments, immediately after "United States", insert the following: , other than the Commodity Credit Corporation,.

On page 204, line 2, of the Senate engrossed amendments, after "approval" insert the following: as provided by law.

And the Senate agree to the same.

AL ULLMAN,
JAMES A. BURKE,
MRS. GRIFFITHS,
DAN ROSTENKOWSKI,
H. T. SCHNEEBELI,
BARBER B. CONABLE,
JERRY L. PETTIS,
Managers on the Part of the House.

RUSSELL B. LONG,
HERMAN TALMADGE,
ABE RIBICOFF,
W. F. MONDALE,
WALLACE F. BENNETT,
PAUL FANNIN,
CLIFFORD P. HASEN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system to stimulate the economic growth of the United States, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 1, 2, 4, 6, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 38, 46, 47, 48, 49, 50, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 107, 108, 110, 111, 112, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 127, 129, 130, 131, 132, 133, 134, 137, 138, 140, 141, 142, 143, 144, 146, 147, 148, 149, 151, 152, 154, 155, 156, 157, 158, 163, 164, 165, 166, 168, 169, 171, 173, 175, 176, 177, 178, 179, 182, 183, 184, 186, 187, 188, 189, 190, 192, 193, 194, 195, 196, 197, 199, 200, 201, 203, 204, 205, 208, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 255, 256, 257, 258, 259, 260, 261, 263, 269, 277, 278, 279, 280, 282, 283, 285, 286, 287, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 321, 327, 328, 333, 339, 340, 341, 342, 344, 345, 348, 349, 350, 351, 352, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 371, 372, 373, 374, 376, 377, 379, 381, 382, 383, 384, 386, 388, 390, 391, 392, 395, 403, 404, 405, 409, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, and 434. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature; or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

Amendment No. 3: Section 2 of the House bill states that the purposes of the bill are to (1) stimulate the economic growth of the United States and to maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce; and (2) strengthen economic relations with foreign countries through the development of fair and equitable market opportunities and through open and nondiscriminatory world trade. The Senate amendment substitutes for the general purposes stated in the House bill 15 specific purposes which essentially summarize the major provisions of the bill as amended by the Senate. The House recedes, with the following amendment:

The purposes of this Act are, through trade agreements affording mutual benefits,

(1) to foster the economic growth of and full employment in the United States and to strengthen economic relations between the United States and foreign countries through open and nondiscriminatory world trade;

(2) to harmonize, reduce and eliminate barriers to trade on a basis which assures substantially equivalent competitive opportunities for the commerce of the United States;

(3) to establish fairness and equity in international trading relations, including reform of the General Agreement on Tariffs and Trade;

(4) To provide adequate procedures to safeguard American industry and labor against unfair or injurious import competition, and to assist industries, firm, workers and communities to adjust to changes in international trade flows;

(5) to open up market opportunities for United States commerce in nonmarket economies; and

(6) to provide fair and reasonable access to products of less developed countries in the United States market;

And the Senate agree to the same.

Amendment No. 5: The House bill authorized the President, in exercising his trade agreement authority, to proclaim tariff reductions but no such proclamation may reduce any rate of duty (1) by more than 60 percent of the rate existing on July 1, 1973, if such rate is 25 percent ad valorem or less; or (2) by more than 75 percent of the rate existing on July 1, 1973, or to a rate of 10 percent ad valorem, whichever results in a higher rate of duty, if the rate existing on July 1, 1973, is more than 25 percent ad valorem. No rate reduction limitation would apply in the case of any rate of duty of 5 percent ad valorem or less. Senate amendment No. 5 authorizes duty reductions of up to 50 percent of the rate existing on January 1, 1975, if that rate is over 10 percent ad valorem, and no limitations are placed on duty reductions if the existing rate on January 1, 1975, is 10 percent ad valorem or less. Under the conference agreement, no reduction limitations are placed on rates which are 5 percent ad valorem or less on January 1, 1975, and duty reductions of up to 60 percent of the rate existing on January 1, 1975, if that rate is over 5 percent ad valorem, are authorized.

Amendments Nos. 7, 8, and 9: Section 102(a) of the House bill (1) set forth the Congressional finding that barriers to (and other distortions of) international trade (nontariff barriers) are reducing the growth of foreign markets for the products of the United States, diminishing intended mutual benefits of reciprocal trade concessions, and preventing the development of open and nondiscriminatory trade among nations; and (2) urged the President to take all steps to limit or reduce such barriers. Senate amendment No. 7 would add additional findings to the House provisions to the effect that nontariff barriers are adversely affecting the United States economy and are preventing fair and equitable access to supplies, and Senate amendments Nos. 8 and 9 urge the President to take action to harmonize, as well as to eliminate or reduce, such barriers. The House recedes.

Amendment No. 10: Section 102(b) of the House bill authorized the President during the five-year period beginning on the date of the enactment of the bill to enter into

trade agreements to eliminate or reduce nontariff barriers if he finds that such barriers of any foreign country or the United States are unduly burdening or restraining the foreign trade of the United States. The Senate amendment retains the provisions of section 102(b) of the House bill but further authorizes the President to enter into agreements if he finds that nontariff barriers are adversely affecting the United States economy, and to enter agreements to harmonize (as well as to reduce or eliminate) such barriers or to provide for the prohibition or limitation on the imposition of such barriers. Section 102(c) of the House bill provided that a principal negotiating objective in entering into trade agreements under section 102 is to obtain with respect to each product sector of manufacturing and to the agricultural sector competitive opportunities for United States exports to the developed countries which are equivalent to the opportunities afforded similar foreign products in United States markets, and also required the Special Representative for Trade Negotiations, together with the Secretaries of Agriculture and Commerce and after consultation with the Advisory Committees established by section 135 of the House bill, to define appropriate sectors of manufacturing.

The Senate amendment deleted the statement of negotiation objectives and the matter relating to the definition of manufacturing sectors from section 102 of the bill and included related provisions in a separate new section (section 104) of the bill. Subsections (d), (e), and (f) of section 102 of the House bill required the President to consult with the Ways and Means and Finance Committees before entering into any trade agreement regarding nontariff barriers and provided that no such agreement, if entered into by the President, which changes domestic law shall enter into force and effect unless (1) the procedure specified in the bill relating to the notification to Congress of his intention to enter into such agreement and the delivery to Congress of a copy of the agreement, proposed implementing actions, if any, and other information, are complied with; and (2) neither House of Congress by resolution disapproves of such agreement before the close of the 90-day period after such delivery. The Senate amendment provided that before the President enters into any negotiations for a trade agreement under section 102, he must report separately to Congress each subject matter area of United States law and administrative practice which he intends to affect under such agreement, and such negotiations may be undertaken with respect to each subject matter area only if negotiation of such area is approved by Congress by resolution pursuant to section 151(b) of the bill. The Senate amendment further requires the President to consult with all appropriate committees of Congress before entering into any such agreement and provides that no agreement (whether or not it would result in any change to domestic law) shall enter into force and effect unless the President appropriately notifies the Congress of his intention to enter into such an agreement, transmits to Congress a copy of the agreement, a draft bill to implement the agreement, and other relevant information, and the implementing bill is enacted into law.

The Senate amendment also authorizes the President to recommend to Congress in any such implementing bill that the benefits and obligations of the nontariff barrier agreement be limited to the signatories to the agreement and that the agreement distinguish between the benefits and obligations applicable to different classes of signatories. Section 102 of the House bill set forth certain restrictions on converting, pursuant to a trade agreement entered into under section 102, nontariff barriers of the United States to tariff rates which afford substantially equivalent protection (such restrictions were considered necessary because of the one House disapproval procedures regarding nontariff barrier agreements contained in the House bill). The Senate amendment deleted these restrictions. Section 102 (g) of the House bill included the American selling price basis of customs evaluation within the definition of barrier for purposes of the section. The Senate amendment included the House definition and defines "distortion" as including any subsidy and defines "international trade" as including trade in both goods and services. The House recedes with respect to Senate amendment No. 10 with amendments which (1) delete the provision under which the President, in addition to the general consultations required with respect to the effect of proposed amendments, must report to Congress with respect to each subject matter area of United States law affected by negotiations and must have further specific approval prior to entering into negotiations which affect specified areas (consumer protection, employee health and safety, labor standards, or environmental standards); and (2) deletes the requirement that an employment impact statement be submitted with each implementing bill.

Amendment No. 11: This Senate amendment adds to the bill a new section 103 which provides that the overall United States negotiating objective under sections 101 (basic trade agreement authority) and 102 (trade agreement authority regarding nontariff barriers) shall be to obtain more open and equitable market access and the harmonization, reduction, or elimination of devices which distort trade or commerce and further provides that, to the maximum extent feasible, the harmonization, reduction, or elimination of agricultural trade barriers and distortions shall be undertaken in conjunction with the harmonization, reduction, or elimination of international trade barriers and distortions. The House bill did not contain a similar provision. The House recedes.

Amendment No. 12: Senate amendment No. 12 adds a new section 104 to the bill which sets forth a sector negotiation objective for trade agreements entered into under sections 101 and 102 of the bill. Section 104 contains essentially the same provisions as section 102(c) of the House bill except that it applies the sector negotiating objective to agreements entered into under section 101 (basic trade agreement authority) as well as to nontariff barrier agreements, requires negotiations to be conducted on the basis of appropriate product sectors to the extent consistent with maximizing the overall economic benefit to the United States, and requires the President, if he determines that competitive opportunities in any product sector will be significantly affected by a trade agreement, to submit to Congress an analysis of the extent to which the agreement achieves the objective with respect to that sector. The requirement for such an analysis is in lieu of the provisions in section 102(c) of the House bill which requires the President to include, when submitted a nontariff trade barrier agreement to Congress, a sector-by-sector analysis of the extent to which the negotiating objective has been achieved. The House recedes with an amendment, striking the phrase "and consistent with the provisions of section 103," (the overall negotiating objective).

Amendment No. 13: This amendment added a new section 105 to the bill which provides that if the President determines that bilateral trade agreements will effectively promote the economic growth of the United States, then a principal negotiating objective under sections 101 and 102 of the bill shall be to enter into bilateral trade agreements providing for mutually advantageous economic benefits. No similar provision was contained in the House bill. The House recedes with a clarifying amendment, deleting the word "principal" qualifying negotiating objective.

Amendment No. 14: This amendment sets forth as a principal United States negotiating objective under sections 101 and 102 the entering into of trade agreements which promote the economic growth of both developing countries and the United States and the mutual expansion of market opportunities. No similar provision was contained in the House bill. The House recedes with an amendment, deleting the word "principal" qualifying negotiating objective.

Amendment No. 15: This amendment provides that a principal negotiating objective under section 102 (trade agreement authority regarding nontariff barriers) shall be to obtain internationally-agreed-upon rules and procedures which shall permit the use of temporary measures to ease adjustments to changes occurring in competitive conditions in the domestic market of parties to an agreement which could result from the expansion of international trade. The amendment provides that any agreement entered into under section 102 may include "safeguard" provisions establishing procedures for:

(1) notification of affected exporting countries,

(2) international consultations,

(3) international review of changes in trade flows,

(4) such adjustments in trade flows which may be necessary to avoid injury,

(5) international mediation of disputes,

(6) appropriate hearings and other public procedures in which interested parties would have the right to participate, and

(7) exclusion of parties from compensation, obligations, and retaliation under specified conditions. The House bill did not contain similar provisions. The House recedes on the understanding that the criteria pursuant to which any import restrictions may be imposed under a safeguard arrangement must be submitted to the Congress for affirmative approval.

Amendment No. 16: This amendment adds a new section 108 to the House bill which provides that a principal United States negotiating objective under section 102 of the bill shall be to enter into trade agreements with foreign countries and instrumentalities to assure the United States of fair and equitable access at reasonable prices to supplies of articles of commerce which are important to the economic requirements of the United States and for which the United States does not have, or cannot easily develop, the necessary domestic productive capacity to supply its own requirements. The House bill did not contain a similar provision. The House recedes.

Amendments Nos. 18 and 19: The House bill provided that tariff reductions proclaimed pursuant to a trade agreement could not be staged in less than 15 annual installments or by annual reductions of a maximum of 3 percent ad valorem, or one-fifteenth, whichever is greater; and that such staging limitations do not apply in cases where the total reduction of duty is 10 percent or less of the rate before reduction. Senate amendments Nos. 18 and 19 require that duty reductions be staged in equal installments over a period of ten years and in cases where duty reductions are less than 20 percent ad valorem, the duty may be reduced by a maximum of 2 percent ad valorem per year. Under the conference agreement, the 10-year staging limitation contained in the Senate amendment is adopted, but annual reductions of up to 3 percent ad valorem or one-tenth of the total, whichever is greater are authorized.

Amendments Nos. 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, and 41: Section 121 of the House bill directed the President to take such action as may be necessary to bring trade agree-

ments into conformity with principles of promoting the development of open, nondiscriminatory, and fair world economic systems, including the revision of decisionmaking procedures in the General Agreement or Tariffs and Trade (GATT); the revision of article XIX of GATT into a truly international safeguard mechanism; the extension of GATT articles to conditions of trade not presently covered; the adoption of international fair labor standards and of public petition and confrontation procedures in the GATT; the revision of GATT articles with respect to the treatment of border adjustments for internal taxes; and the revision of balance-of-payments provisions in the GATT. Senate amendments Nos. 30, 31, 32, 33, 34, 35, 36, and 37 added to the principles specified in the House provision the following additional trade principles:

(1) access to supplies, including rules governing export controls, denial of supplies and consultations on supply shortages;

(2) the extension of GATT to deal with countries which deny goods and thereby injure the international community;

(3) any revisions necessary to establish regular consultations;

(4) elimination of special reverse preferences;

(5) flexible monetary mechanisms;

(6) code on subsidies and foreign investment incentives;

(7) agreements on extraterritorial application of national laws; and

(8) revisions to establish within GATT an international agreement on footwear;

Senate amendment No. 39 added to section 121a provision requiring the President, to the extent feasible, to enter into agreements with foreign countries to establish the principles set forth above with respect to international trade between the United States and such countries. Senate amendment 40 provided that no agreements to implement the principles of section 121 shall take effect unless legislation implementing those principles is enacted by Congress. Senate amendment 41 added to the provision in the House bill authorizing appropriations for payment by the United States of its share of expenses to GATT a proviso that such authorization does not imply approval or disapproval by Congress of all articles of the GATT. The House recedes with respect to all the Senate amendments (with conforming and clarifying amendments in some cases) except amendments Nos. 34 (relating to flexible monetary mechanisms) and 36 (relating to the extraterritorial application of national laws), from which the Senate recedes. Under the conference agreement the phrase "such as" was added before "footwear" in Senate amendment 37.

Amendments Nos. 42 and 43: Section 122 (a) of the House bill provides authority for the President to take certain import restraining actions in order to deal with large and serious United States balance-of-payments deficits, to prevent depreciation of the dollar in foreign exchange markets, and to cooperate in correcting international balance-of-payments disequilibrium. Senate amendment No. 42 amended the House provision to require the President to take such action in order to deal with such deficit and extends the effective period of any presidential action to 180 days (150 days under the House bill) unless such period is extended by Act of Congress. Senate amendment No. 43 permits the President to refrain from taking action under section 122(a) if such action would be contrary to the national interest. The House recedes with an amendment providing for the 150-day effective period contained in the House bill.

Amendments Nos. 45 and 51: Section 122 (b) of the House bill (redesignated as section 122(c) by the Senate) provides authority for the President to take certain action to increase imports in order to deal with a large or persistent United States balance-of-payments surpluses or to prevent significant appreciation of the dollar in foreign exchange markets. Senate amendment No. 45 would change the House version of section 122(b) to authorize the President to deal with large and persistent balance-of-trade surpluses determined on the basis of cost-insurance-freight value of imports and Senate amendment No. 51 requires import liberalizing actions taken under section 122(b) to be of broad and uniform application with respect to product coverage. The House recedes.

Amendment No. 69: Section 123 of the House bill provided authority for the President to promulgate temporary reductions in duty and temporary increases in quantities of articles permitted to be imported for purposes of restraining inflation. Senate amendment No. 69 deleted this section from the bill. The House recedes.

Amendment No. 80: This amendment amends section 124 of the House bill (section 123 as redesignated by the Senate), which gives the President authority to compensate foreign countries for increases in United States tariffs or other import restrictions when the United States is obligated to pay such compensation for trade restrictions imposed pursuant to an import relief finding under section 203 of this bill. The Senate amendment prohibits the entering into any agreement under section 123 with any foreign country if such country has violated trade concessions of benefit to the United States and such violation has not been adequately offset by action of the United States or by such country. The House recedes with an amendment making the application of the Senate amendment effective at the discretion of the President, rather than mandatory.

Amendment No. 91: This amendment adds to section 126 of the House bill (section 125 as redesignated by the Senate), which sets forth termination and withdrawal authority of the United States with respect to trade agreements, a new subsection (d) which requires the President to withdraw, suspend, or modify trade agreement concessions whenever a foreign country withdraws, suspends, or modifies the application of trade agreement obligations of benefit to the United States without granting adequate compensation. The House recedes with an amendment which makes action by the President under the Senate amendment discretionary rather than mandatory.

Amendments Nos. 104, 105, and 106: Senate amendment No. 104 amends section 127 of the House bill (section 126 as redesignated by the Senate), which applies the principle of nondiscriminatory treatment (most-favored nation principle) to all products of foreign countries to require the President to determine after conclusion of all negotiations entered into under the bill, or at the close of the 5-year period after its effective date (whichever is earlier) whether any major industrial country (defined by Senate amendment No. 106 to mean Canada, the European Economic Community, each nation in such Community, Japan, and any other country designated by the President) has failed to make concessions under trade agreements providing competitive opportunities for United States commerce in that country which are substantially equivalent to competitive opportunities provided by the United States under trade agreements for the commerce of such country in the United States. Senate amendment No. 105 provides that if the President determines that any major industrial country has not made such concessions, he shall (1) proclaim the termination of United States concessions, or refrain from proclaiming such concessions, with respect to that country or articles thereof; and (2) recommend to Congress that any legislation necessary to carry out a trade agreement relating to nontariff barriers shall not apply to such country. The House recedes with respect to Senate amendment No. 104 with an amendment restricting the President's determination of whether a major industrialized country has made concessions providing substantially equivalent competitive opportunities for the commerce of the U.S. to trade agreements entered into under this Act.

The House recedes with respect to Senate amendment No. 105 with an amendment which deletes the President's authority to proclaim the termination of, or to refrain from proclaiming, trade agreement benefits to foreign countries failing to make reciprocal concessions and provides that the President shall recommend to the Congress any legislation necessary to restore the balance of competitive opportunities; and recedes with respect to Senate amendment No. 106.

Amendment No. 109: This amendment amends section 232 of the Trade Expansion Act of 1962 to transfer to the Secretary of the Treasury functions relating to investigations and determinations regarding whether articles are being imported in such quantities and under such circumstances so as to threaten to impair the national security. The amendment requires the Secretary of the Treasury to consult with the Secretaries of Defense and Commerce and other appropriate officers of the United States when making any such investigation. The Senate amendment further provides a procedure for holding public hearings incident to any such investigations (which must be completed within one year). The Secretary of the Treasury is required under the amendment to report his findings and recommendations resulting from any investigation to the President who may (unless he finds that the imports in question are not threatening the national security) take such action, and for such time, as he deems necessary to adjust imports so as to prevent impairment of the national security. The House recedes.

Amendment No. 113: This amendment requires the Tariff Commission (redesignated as the International Trade Commission by the Senate) to provide the President with advice with respect to articles proposed to be included in any trade agreement proposed to be entered into under section 123 (124) of the bill (compensation authority) within 90 days after the date of receipt of the list of such articles by the Commission. Under the House bill, such advice is required to be submitted within 6 months after date of receipt. The House recedes.

Amendment number 126: This amendment provides for the inclusion of representatives of small business, service industries and retailers on the Advisory Committee for Trade Negotiation.

The House recedes.

Amendment No. 128: This amendment authorizes the President, on his own initiative or at the request of interested persons, to establish general policy advisory committees for industry, labor, and agriculture to provide general policy advice on any trade agreement proposed to be entered into under section 101 or 102 of the bill. The amendment requires such committees to be representative of all industry, labor, or agricultural interests (including small business interests and to be organized by the President acting through the Special Representative for Trade Negotiations, and the Secretaries of Commerce, Labor, and Agriculture, as appropirate. The House recedes.

Amendment No. 135: This amendment provides that representatives from each committee established under section 135(c)) of the bill (general policy advisory committees and industry, labor, and agricultural sector advisory committees) shall participate di-

rectly in any negotiation of any trade agreement under section 101 or 102 to the same extent as any representative of a comparable committee or sector participates in such negotiations on behalf of any foreign country. The Senate recedes, on the understanding that the negotiators shall inform the advisory committees of all relevant information during the negotiations. The conferees believe strongly that, to the extent consistent with the domestic laws, the private sector should fully contribute to the negotiation process.

Amendment number 145: This amendment deleted a provision of the House bill stating that nothing in section 135 is intended to authorize direct participation by individuals in trade agreement negotiations.

The Senate recedes.

Amendment No. 136: This amendment requires the Advisory Committee for Trade Negotiations (established under section 135 (b) of the bill) and each appropriate policy advisory committee and sector advisory committee to meet at the conclusion of each trade agreement entered into under this Act and to provide to the President, the Congress, and to the Special Representative for Trade Negotiations a report on the agreement. Each such report is required to include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and each report by a sector advisory committee is required to include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sector. The amendment further provides that the Advisory Committee and each policy advisory committee shall, as soon as practical after the close of the 5-year period after the effective date of the bill, submit to Congress a report including an advisory opinion as to whether and to what extent the trade agreements entered into under this Act, taken as a whole, serve the economic interests of the United States. Each sector advisory committee is required to submit to Congress, within the same time limitation, a report including an advisory opinion on the degree to which trade agreements entered into under this Act which affect the sector, taken as a whole, provide for equity and reciprocity within that sector. The House recedes.

Amendment No. 139: This amendment is a substitute for section 135(f) of the House bill which provided that information received in confidence by the Advisory Committee for Trade Negotiations or any advisory committee shall not be disclosed to other than Federal officers or employees designated by the Special Representation for Trade Negotiations or the Committees on Ways and Means and Finance to receive such information for use in connection with the negotiation of trade agreements. The Senate amendment provides that trade secrets and commercial or financial information submitted in confidence in connection with trade negotiations may not be disclosed for use in connection with such negotiations to other than Federal officers designated by the Special Representatives for Trade Negotiations, members of the Ways and Means and Finance Committees accredited as advisors under section 161(a) of the bill or designated by the chairman of either such committee under section 161(b), and staff members of either such committee designated by such chairman under section 161 (b)(2). The Senate amendment further provides that (1) other private information submitted in confidence to Federal officers, the Advisory Committee for Trade Negotiations, policy advisory committees, and sector advisory committees may not be disclosed except to individuals authorized to receive trade secrets and commercial or financial information and to such Advisory Committee or committees, and (2) information submitted in confidence by Federal officers to such Advisory Committee or committees shall not be disclosed except in accordance with rules issued by the Special Representatives for Trade Negotiations and the Secretaries of Commerce, Labor, and Agriculture, as appropriate. The House recedes.

Amendment No. 150: This amendment provides that the Special Representative for Trade Negotiations shall be compensated at the rate provided for at Level I of the Executive Schedule, and that the two Deputy Special Representatives for Trade Negotiations be compensated at the rate provided for at Level III of the Executive Schedule. Under the House bill, the Special Representative would receive the same compensation as a chief of mission. The House recedes.

Amendment No. 153: This amendment amends section 141 of the House bill (which establishes the Office of the Special Representatives for Trade Negotiations) to authorize the appropriation to such Office of such funds as may be necessary for the purpose of carrying out its functions for fiscal year 1976 and each fiscal year thereafter any part of which is within the 5-year period beginning on the date of the enactment of the bill. The House bill did not provide an authorization for the Office. The House recedes.

Amendments Nos. 159, 160, 161, and 162: Section 151 of the bill as passed by the House contained a procedure for congressional disapproval with respect to nontariff barrier trade agreements submitted to Congress, to escape clause actions to retaliation against unfair trade practices, and to extension or continuation of nondiscriminatory tariff treatment. Under this procedure, the President was to transmit a proclamation or agreement to the Congress, after 7 days it was in order to discharge the committee to which a resolution or disapproval had been referred, and, if either House approved the resolution of disapproval within a 90-day period, the agreement or proclamation was not to take effect.

The Senate amendments strike out section 151 of the House bill and insert new sections 151, 152, and 153. Under these amendments, a congressional approval procedure applies to all nontariff barrier trade agreements, to agreements establishing certain principles in international trade (including GATT revisions) which change federal law (including a material change in an administrative rule), and to bilateral trade agreements with nonmarket countries entered into after the date of the enactment of the bill. Under this procedure, an implementing bill or approval resolution is submitted by the President and introduced in each House (with no amendments permitted), time limits are established for committee consideration, and floor votes. If the bill is not enacted or the resolution is not approved as the case may be, the agreement or revision cannot enter into force.

Under the Senate amendments, provision is also made for two-House disapproval for Presidential import relief which differs from the Commission's recommendation, and for Presidential retaliation on an MFN basis against unjustifiable or unreasonable restrictions. Under these procedures, if both Houses do not adopt a concurrent resolution within the applicable time period, the Presidential action enters into force.

Finally, under the Senate amendments, a one-House disapproval procedure is established (1) for the determination of the Secretary of the Treasury not to apply countervailing duties during a 2-year discretionary period, (2) for extension of benefits under bilateral trade agreements with nonmarket countries entered into before the date of the enactment of the bill, (3) to all annual reviews of MFN treatment and government credits and guarantees to countries receiving benefits negotiated under title IV of the bill, and (4) to U.S. Government credits and investment guarantees extended after the date of the enactment of the bill. This one-House disapproval procedure is the same as the two-House procedure provided by the Senate amendments except that adoption by majority vote of those present and voting in either House is sufficient to prevent action. The House recedes with clarifying and conforming amendments.

Amendment No. 167: Section 161 of the bill as passed by the House provided for congressional delegates to international conferences, meetings, and negotiation sessions with respect to trade agreements. Five members were to be appointed by the Speaker from the Ways and Means Committee of the House, and five members of the Senate Finance Committee were to be appointed by the President pro tempore of the Senate.

Under the Senate amendment, the appointment of the House delegates by the Speaker is to be upon the recommendation of the chairman of the Ways and Means Committee, and the appointment of the Senate delegates is to be upon the recommendation of the chairman of the Senate Finance Committee.

In addition, the Senate amendment provides that the Special Representative for Trade Netogiations is to keep each official adviser currently informed, and that the chairmen of the Ways and Means and Finance Committees can designate additional members of their committees and staff members who will have access to the current information provided the official advisers. The House recedes.

Amendment No. 170: The bill as passed by the House contained a requirement (in section 162(a)) that, as soon as practicable after a trade agreement entered into under chapter 1 or under the compensation authority or the authority to renegotiate duties has entered into force with respect to the United States, the President is to transmit to each House a statement of his reasons for entering into the agreement. This amendment provides that this statement is to include an employment impact statement setting forth in detail job losses and gains which may be expected as a result of the trade agreement. The Senate recedes.

Amendment No. 172: The bill as passed by the House contained a requirement (in section 163(a)) that the President submit to the Congress an annual report on the trade agreements program and on import relief and adjustment assistance. Under this amendment, the annual report is to include additional specified information. The House recedes with an amendment which deletes from such additional specified information with respect to the estimated effect under the program on employment and consumers.

Amendment No. 174: This amendment adds a new chapter 7 (consisting of sections 171 through 175) to title I of the bill. Under this amendment:

(1) the United States Tariff Commission is renamed as the "United States International Trade Commission",

(2) the membership is increased from 6 to 7 commissioners (no more than 4 from the same political party),

(3) the term of office of commissioner is increased from 6 to 14 years, with one term expiring every other year,

(4) an individual who has served for more than 7 years after the date of the enactment of the bill will be ineligible for reappointment,

(5) the chairman and vice chairman positions are to rotate, with assignment as such normally determined by seniority,

(6) the pay of the commissioners is upgraded,

(7) the voting record of the commissioners is to be published,

(8) the Commission is to be represented in court by its own attorneys or, at the request of the Commission, by the Attorney General of the United States, and

(9) the Commission is given an independent budget, and appropriations for the Commission for each fiscal year are authorized.

The House recedes with the following amendments:

(1) the Commission membership remains at six with an understanding that the commissioner shall, to the maximum extent feasible, avoid tie votes; (2) each Commissioner will serve for one nine-year term (rather than fourteen years). The House recedes from the Senate amendment with a modification to require the Commission Chairmanship to rotate every eighteen months, beginning June, 1975.

The House recedes from the Senate amendment to upgrade Commissioners' pay and to require voting records to be published. The Conference agreement permits the Commission to represent itself in judicial proceeding relative to its own functions, whereas the Attorney General would represent the Commission in judicial proceedings involving matters of Presidential decision. The House recedes from the Senate amendment requiring the Commission's budget to be submitted directly to Congress, rather than through OMB, beginning in 1976, with approval of both the Senate Finance and House Committee on Ways and Means.

Amendments Nos. 180 and 181: Under section 201 of the House bill, the Tariff Commission, when investigating petitions for eligibility for import relief, must take into account all economic factors which it considers relevant, including, with respect to substantial cause of serious injury to domestic injury caused by imports, an increase in imports (either actual or relative to domestic production). Senate amendments Nos. 180 and 181 provide that with respect to substantial injury, the Commission shall take into account only an absolute increase in imports. The Senate recedes.

Amendment No. 185: Section 201(b)(3) of the House bill provides that in determining the domestic industry producing an article like or directly competitive with an imported article, the Tariff Commission may (1) in the case of a domestic producer which also imports, treat as part of such domestic industry only its domestic production, and (2) in the case of a domestic producer which produces more than one article, treat as part of such domestic industry only that portion or subdivision of the producer which produces the like or directly competitive article. The Senate amendment adds to the House language a third standard under which the Commission may, in the case of a domestic producer located in a major geographic area of the U.S. and serving a market in that area, treat as part of such domestic industry only that segment of the producer which is located in the area. The House recedes with an amendment authorizing the Tariff Commission to treat as a domestic industry only the segment of the national production that is produced in a major geographic area if (1) the production in such area constitute a substantial portion of the national industry, (2) such producers serve primarily the market of such major geographic area and (3) imports are concentrated in such geographic area.

Amendment No. 191: This amendment amends the House provision which requires the Tariff Commission, if it finds serious injury or threat thereof to a domestic injury caused by an imported article, to include in its report thereon to the President its finding as to the amount of increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury. The Senate amendment further requires that if the Commission finds that adjustment assistance under chapters 2, 3, and 4 of title II of the bill can effectively remedy such injury, the Commission shall recommend the provision of such assistance in its report to the President. The House recedes.

Amendment No. 198: Section 202 of the House bill provided that the President, after receiving an affirmative finding of import injury from the Tariff Commission, shall evaluate the extent to which adjustment assistance has, or can be, made available to workers and firms in the injured domestic injury and may direct the Secretaries of Labor and Commerce to give expeditious consideration to petitions for adjustment assistance, and may provide import relief to the industry pursuant to section 203 of the bill. The House provision required the President to make a determination whether to provide such import relief within 60 days after receipt of the Commission's affirmative finding, and to notify Congress immediately if he determined not to provide such relief. The Senate amendment changes the House provision in that (1) if an affirmative injury finding is made by the Commission, the President is required to provide import relief, and (2) if the Commission recommends the provision of adjustment assistance along with its finding, the President is to direct the Secretaries of Commerce and Labor to give expeditious consideration to assistance petitions. The Senate amendment further requires the President, within 60 days after receiving an affirmative finding of injury (1) to determine what method and amount of import relief he will provide and whether he will direct expeditious consideration of adjustment assistance petitions (and publish in the Federal Register that he has made such determination); and (2) publish his order to the Secretaries of Labor and Commerce directing them to give such expeditious consideration, if the Tariff Commission recommends the provision of adjustment assistance.

The House recedes with an amendment under which, after receiving an affirmative determination of injury (or threat thereof) the President shall (in addition to recommending whatever adjustment assistance that he deems advisable):

(1) provide import relief as recommended by the Commission;

(2) provide such other import relief as he deems appropriate; *Provided, however*, If he determines it is not in the national economic interest, he may provide no import relief.

However, if the President does not provide any import relief (because he determines it is not in the national economic interest) or if he provides relief other than recommended by the Commission, he must report his reasons to the Congress, and the Congress by an approval of a concurrent resolution under the procedures established by section 151 may provide import relief, as recommended by the Commission, or otherwise.

injury (1) to determine what method and amount of import relief he will provide and whether he will direct expeditious consideration of adjustment assistance petitions (and publish in the FEDERAL REGISTER that he has made such determination); and (2) publish his order to the Secretaries of Labor and Commerce directing them to give such expeditious consideration, if the Tariff Commission recommends the provision of adjustment assistance.

Amendments Nos. 202 and 206: The House bill permits the President, within 45 days after receiving an affirmative finding of injury by the Tariff Commission, to request additional information from the Commission. The Commission in not less than 30 days after such request (60 days in the case extensive additional information is requested) is required to furnish such information. Senate amendment No. 202 requires the President to request additional information within 15 days after receiving the finding and Senate amendment No. 206 deletes the additional 30 day period allowed under the House provision for Tariff Commission report in the case of extensive information. The House recedes with respect to amendment No. 202, the Senate recedes with respect to amendment No. 206.

Amendment No. 207: This amendment deletes from section 203 of the House bill the provision stating that, for purposes of providing import relief, the following methods shall be preferred to the methods listed below it:

(1) Increases in, or imposition of, duties,
(2) tariff rate quotas,
(3) quantitative restrictions,
(4) orderly marketing agreements.

This amendment further requires the President, if required under section 202(a)(1) to provide import relief, to take one or more of the relief actions set forth in section 203 of the House bill (redesignated section 203(a) by the Senate). The House recedes with an amendment.

Amendment No. 209: This amendment deletes section 203(c) of the House bill, which requires the President to report to Congress when he selects a method or methods of providing import relief (including a statement as to why he selected a method of relief over methods ranking higher in preference under section 203(a) of the House bill and over the provision of adjustment assistance), and provides instead that on the day the President proclaims import relief or announces his intention to negotiate orderly marketing agreements, he shall transmit to Congress a document setting forth the kind of action taken by him, and if such action differs from that recommended by the Tariff Commission in its affirmative finding, the reason for such difference.

Amendment No. 251: Under section 222 of the House bill, the Secretary of Labor shall certify groups of workers as eligible to apply for adjustment assistance if he determines, among other things, that increases of imports of articles like or directly competitive with articles produced by the workers' firm contributed importantly to the total or partial separation of the workers from employment, or to an absolute decrease in sales or production of the firm. The Senate amendment requires the Secretary to find an absolute increase in such imports. The Senate recedes.

Amendment No. 252: This amendment, which adds a new paragraph to section 222 of the House bill, defines "contributed importantly" (as such term applies to the effect of imports on worker's employment or their firm's production and sales) as meaning a cause which is important but not necessarily more important than any other cause. This definition was not included in the House bill, but was set forth in the House report. The House recedes.

Amendments Nos. 253 and 254: Section 223(c) and (d) of the House bill requires the Secretary of Labor to promptly publish in the Federal Register (1) a summary of his determination made with respect to any petition for worker adjustment assistance, and (2) notice of his determination to terminate any certification of eligibility for assistance by workers. The Senate amendments require the Secretary to also publish at the same time his reasons for each such determination. The House recedes.

Amendment No. 262: Under section 232(a) of the House bill, the trade adjustment allowance payable to an adversely affected worker for a week of unemployment shall be (1) for any week in the first 26 weeks of such allowances 70 percent of his average weekly wage, and (2) any subsequent week of such allowances 65 percent of his average weekly wage. The Senate amendment provides that for any week of allowance, the allowance shall be 75 percent of his average weekly wage. Under both House and Senate versions, no weekly allowance may exceed the average weekly manufacturing wage and each weekly allowance is reduced by 50 percent of the amount of the remuneration for services performed by him during such week. The House recedes

with an amendment providing that the allowance shall be 70 percent of the worker's average weekly wage for the entire 52 weeks of entitlement.

Amendment No. 264: Under section 232(e) of the House bill, whenever in any week of unemployment, the total amount payable to a worker as remuneration, unemployment compensation, training allowance, and trade readjustment exceeds (1) in the case of any week in the first 26 weeks of such allowances, 80 percent of his average weekly wage; or (2) in the case of any subsequent week, 75 percent of his average weekly wage, then the workers' trade readjustment allowance must be reduced by the amount of such excess. The Senate amendment eliminates the distinction between the first 26 weeks and subsequent weeks and provides that if the specified amounts payable to the worker exceed 80 percent of his average weekly wage for any week, the readjustment allowance for that week is reduced by the amount of the excess. Under both House and Senate versions, 130 percent of the average weekly manufacturing wage, if less than the percentage of the workers' average weekly wage which otherwise applies, is used for purposes of computing the reduction. The House recedes.

Amendment No. 265: This amendment eliminates the provision in the House bill which provides for Federal reimbursement to the States for any unemployment insurance provided under State programs to workers who are eligible for adjustment assistance under the bill. Under the bill as amended by the Senate, Federal funding is provided only for that portion of a worker's adjustment benefits which exceed his entitlement under the State unemployment program. The House recedes.

Senate amendments Nos. 266 and 267: Section 233 of the House bill provides that payments of trade readjustment allowances may not be made to any worker for more than 52 weeks, except that payments may be made (1) for an additional 26 weeks to a worker to assist him to complete training, and (2) for an additional 13 weeks to a worker who attained age 60 on or before the date of his total or partial separation from employment. Senate amendment No. 266 would provide for payments for an additional 26 weeks in the case of workers age 60 and over; and Senate amendment No. 267 imposes a maximum limitation of 78 weeks of trade readjustment allowances for any worker. The House recedes.

Amendment No. 268: This amendment provides that no trade adjustment allowance may be paid to a worker for an additional week to assist him in completing training unless the worker makes application for a training program approved by the Secretary within the later of (1) 180 days after the end of the week of his most recent total or partial separation (as the case may be), or (2) the date of his first certification of eligibility to apply for adjustment assistance. The House recedes.

Senate amendments Nos. 270 and 271: Section 236 of the House bill authorized the Secretary of Labor to defray subsistence and transportation expenses for workers undergoing training at facilities not within comuting distance of the worker's residence. The House bill provided subsistence payments not exceeding $5 per day, and transportation expense payments not exceeding 10 cents per mile. Senate amendment No. 270 provides for subsistence payments not exceeding $15 per day and Senate amendment No. 271 provides for transportation payments not exceeding 12 cents per mile. The House recedes.

Amendment No. 272: The House bill allows a displaced worker to apply for a job search allowance for up to one year after he becomes unemployed. The Senate amendment allows a worker who has been referred to training to apply for a job search allowance within a reasonable period of time after the conclusion of such training. The House recedes.

Amendment No. 273: The House bill requires workers seeking relocation allowances to apply for these allowances before the time in which the relocation move is made. The amendment permits applications for such allowances to be made within a reasonable time after the move has been completed. The Senate recedes.

Amendment No. 274: The House bill contains a provision which states that any determination by a cooperating State agency with respect to entitlement to payments of adjustment assistance allowances is subject to review in the same manner as are determinations under the State unemployment insurance law. The Senate amendment applies State review standards to all adjustment assistance program benefits. The House recedes.

Amendment No. 275: This amendment amends the Internal Revenue Code of 1954 in order to reduce by 15 percent the credits for State unemployment taxes which employers are allowed against their liability for Federal Unemployment Tax if the Secretary of Labor finds that the State has not entered into before July 1, 1975, or fulfilled its commitments under, a cooperative agreement with the Secretary for the administration of adjustment assistance benefits within such State. The House bill did not contain a similar provision. The House recedes.

Amendment No. 276: This amendment provides that final determinations as to entitlement to all adjustment assistance benefits (rather than to only allowance payments as in the House bill) made by the Secretary of Labor absent an agreement under section 239 with a State shall be judicially reviewable as provided in section 205(g) of the Social Security Act. The House recedes.

Amendment No. 281: This amendment authorizes the appropriation (for purposes of training under section 236 of the bill) $50,000,000 for fiscal year 1975 and such sums as are necessary for the 5 succeeding fiscal years. No separate authorization for training was contained in the House bill. The House recedes with an amendment eliminating the specified $50,000,000 limitation on appropriations for fiscal year 1975, and an amendment authorizing necessary appropriations for the 7 succeeding fiscal years after fiscal year 1975, thereby conforming the appropriation authorization to the conference agreement on the date of termination of all adjustment assistance programs.

Amendment No. 284: This amendment provides that weeks of unemployment beginning after the effective date of the worker's adjustment assistance chapter for which trade adjustment allowances were payable under the Trade Expansion Act of 1962 shall be deducted from the total number of weeks of unemployment for which the worker is eligible for allowances under such chapter. The House recedes.

Amendment No. 288: The amendment adds a new section to the bill which authorizes the Secretary of Labor to require by subpena the attendance of witnesses and the production of evidence necessary for him to make determinations under the worker adjustment assistance chapter. U.S. district courts are authorized to issue orders requiring compliance with such subpenas. The House recedes.

Amendment No. 289: This amendment adds a new section to the bill under which any worker or group of workers may receive judicial review in United States circuit courts of appeals of any final determination by the Secretary of Labor on the eligibility of workers to apply for adjustment assistance. The findings of the Secretary shall be conclusive if supported by substantial evidence. The House recedes with a clarifying amendment.

Amendment No. 320: This Senate amendment creates a new program of adjustment assistance for communities adversely affected by imports. A community, group of communities, or Governor of a State on behalf of a community or communities may file a petition with the Secretary of Commerce for certification of eligibility to apply for community adjustment assistance. The Secretary must certify a community eligible to apply if he determines: (a) a significant number or proportion of workers in the trade impacted area where the community is located are or are threatened to become totally or partially unemployed; (b) sales and/or production of firms in the trade impacted area have decreased absolutely; and (c) increased import of articles like or directly competitive with those produced by the firms or the transfer of firms from the trade impacted area to foreign countries have contributed importantly to (a) and (b).

Benefits can be extended only if the Secretary approves the adjustment assistance plan. Adjustment assistance for qualified communities consists of:

All forms of assistance other than loan guarantees, as provided a redevelopment area under the Public Works and Economic Development Act of 1965 ("PWEDA") and loan guarantees with a termination date September 30, 1982 as expressly provided in the Trade Act. Under the PWEDA the Secretary of Commerce is authorized to provide assistance to attract new investment and to create additional long term employment opportunities in the area in the form of:

(1) direct grants for acquisition and development of land and improvements for public works, public service, or development facilities, including authority for additional grants to areas of substantial unemployment;

(2) loans to purchase land and facilities for such purposes as constructing modernizing and expanding plant facilities; and

(3) technical assistance which would be useful in alleviating or preventing excessive unemployment or underemployment.

Loan guarantees for working capital and for the acquisition or improvement of plant facilities may be made to private borrowers by private lending institutions are subject to the same terms and conditions as under the Public Works and Economic Development Act of 1965.

The Senate amendment imposed two major conditions upon applicants for loan guarantees: first that officials of the state or locality or both pledge such portion of a future revenue sharing entitlement as necessary to cover fifty percent of any deficiency arising from a default, and second, in the case of corporations, that an amount of stock equal to twenty-five percent of the amount guaranteed be paid by the lender into a trust which is part of an employee stock ownership plan established and maintained solely by the corporation. The House bill contained no such provisions. The House recedes with the following amendments:

First, delete the word "absolute" so as to permit the Secretary to issue certifications whenever he determines that increases of imports, whether absolute or relative, have contributed importantly to the total or partial separation of workers and to the decline in sales or production, of firms, or threat thereof, in the affected area.

Second, extend the expiration on date of the community program from September 30, 1980, to September 30, 1982.

Third, in place of the Senate bill's provisions on joint liability for loan guarantees provide that the Governor of the State, the authorized representative of the community, or both, in which an applicant for a loan guarantee is located *may* enter into an agreement providing that such State or community or both will pay one half of the amount of any liability arising from the loan guarantee, if the State in which the applicant has established by law a program approved by the Secretary for such purpose. It is the

understanding of the managers that an amendment to the State and Local Fiscal Assistance Act of 1972 to include such a use of funds among the enumerated purposes for which funds may be applied under that Act will be considered in 1977 when that legislation is considered for renewal.

Fourth, provide that when considering loan guarantees for qualified corporations, the Secretary shall give preference to corporations which have or undertake to establish a qualified employee stock ownership plan established and maintained solely by the corporation.

Amendment No. 322: This Senate amendment requires the Comptroller General to conduct a study, assisted by the Departments of Labor and Commerce, of the worker, firm and community adjustment assistance programs. The study by the General Accounting Office, among other things, will evaluate: (1) the effectiveness of the programs in aiding adjustment to import competition and, (2) the coordination of the administration of the programs with other government programs providing unemployment compensation and relief to depressed areas. The report is to be submitted to the Congress by January 30, 1979. The House bill contained no similar provision. The House recedes with an amendment requiring that the report be submitted to the Congress no later than January 31, 1980 instead of January 30, 1979.

Amendment No. 323: This Senate amendment replaces a comparable provision contained in the House bill. An Adjustment Assistance Coordinating Committee is created to consist of a Deputy Special Trade Representative, as Chairman, and officials charged with adjustment assistance responsibilities of the Departments of Labor and Commerce and the Small Business Administration. The Committee is charged with the coordination of the adjustment assistance policies, studies, and programs of the various agencies involved and to promote the efficient and effective delivery of adjustment assistance benefits. The House recedes.

Amendment No. 324: This Senate amendment directs the Secretaries of Commerce and Labor to establish and maintain a program to monitor imports of articles which will reflect changes in the volume of such imports, the relation of such imports to changes in relevant domestic production and employment, and the extent to which such changes in production and employment are concentrated in specific geographic regions of the country. A second provision added by the Senate required the Secretaries to gather additional information concerning the international operations of multinational corporations doing business in the United States. The information would cover direct investment by any such corporation in each foreign affiliate, gross sales, employment data, etc. The information gathered under this provision is to be published regularly. The House bill contained no such provisions. The House recedes with an amendment deleting the provision relating to information concerning the international operations of multinational corporations. It is the understanding of the managers that nothing in the remaining provision will be construed to require the tracing of articles imported into the United States to their points of sale in specific regions or areas of the country.

Amendment No. 325: This Senate amendment required that every firm, prior to moving production facilities abroad, should: (1) give at least 60 days advance notice to its employees who are likely to become totally or partially unemployed; (2) at the same time give the Secretaries of Labor and Commerce notice of the move; (3) apply for and use all adjustment assistance for which it is eligible; (4) offer employment opportunities, if any exist, to its affected employees; and (5) assist in relocating employees where employment opportunities exist. The House bill contained no such provision. The House recedes with an amendment requiring that items 3, 4, and 5, above, be stated as being the sense of the Congress.

Amendment No. 326: This Senate amendment provides that the worker, firm, and community adjustment assistance provisions of title II of the Senate bill will become effective on the 90th day after the date of enactment of this Act. Such provisions are to terminate on September 30, 1982.

Amendment No. 329: Section 301(a)(4) of the Senate bill adds a provision to bases for retaliation, explicitly applying the discretionary retaliation authority to unjustifiable or unreasonable restrictions on access to supplies which burden or restrict U.S. commerce. The House bill did not contain a similar provision. The House recedes.

Amendment No. 330: The Senate bill extends retaliatory measures to include imposition of fees or restrictions on foreign services, as well as imposition of duties or other import restrictions on foreign goods. The House bill did not contain a similar provision. The House recedes.

Amendment No. 331: Section 301(a) of the Senate bill explicitly defines "commerce" to include services for purposes of the retaliation authority. The House bill did not contain a similar provision. The House recedes.

Amendment No. 332: Section 301(b) of the House bill required the President to consider U.S. international obligations when determining what actions to take under section 301. The Senate bill deleted this requirement. The House bill permitted actions against unjustifiable foreign practices to be taken on a MFN or selective basis. Actions against unreasonable foreign practices were to be on a selective basis. The Senate bill removes the distinction between unreasonable and unjustifiable practices, and authorized action on an MFN or selective basis in all cases. However, actions by the President would be subject to Congressional veto by a concurrent resolution of disapproval under Section 302 if the action is MFN rather than only against the country involved. The House recedes.

Amendment No. 334: The Senate bill adds a requirement, in addition to the provision in the House bill providing an opportunity for interested parties to present views, that the Special Trade Representative review complaints, publish them in the *Federal Register*, and hold public hearings upon request of the complainant on the alleged foreign restrictions. Also, the Special Trade Representative must submit a semiannual report to the Congress summarizing the reviews and hearings it has conducted during the preceding 6-month period. The House recedes.

Amendment No. 335: Section 301(e) of the House bill contained a provision requiring the President to provide an opportunity for the presentation of views and public hearings prior to the taking of action under Section 301. The Senate bill would also permit such presentation of views and hearings to take place promptly after the action, if the President determines that holding them prior to taking action would be contrary to the national interest because expeditious action is needed. The House recedes.

Amendment Nos. 336–337: The House bill provided for a one-House veto of any action under 301. The Senate bill provides for a two-House veto of any action taken by the President on an MFN basis. Following the adoption of such a two-House resolution of disapproval, such action would remain in effect only with respect to the country(ies) whose practice was the cause for taking action under Section 301. The House recedes.

Amendment No. 338: Section 321(a) of the House bill required that a preliminary dumping determination be made by the Secretary of the Treasury within six months after the question of dumping was presented to him. In more complicated investigations such determinations could have made within nine months after such question was presented. The Senate bill permits the period for the preliminary determination to be extended to nine months only after the Secretary of the Treasury concludes that such determination can not be reasonably made in six months and publishes a notice in the Federal Register with a statement of his reasons for such determination.

The Senate bill requires the Secretary to make a final dumping determination within three months after a preliminary determination, whether such preliminary determination was affirmative or negative. The House bill contained no similar provision.

The Senate bill requires the Secretary to determine whether or not to initiate an investigation within thirty days of the receipt of information alleging dumping. The Secretary would publish an affirmative determination to initiate an investigation in the Federal Register, and the time limits in the Senate bill would proceed from the date of such publication. The time limits in the House bill proceeded from the date on which the question of dumping was deemed to be presented to the Secretary.

Section 321(a) of the Senate bill provides that if, during the thirty day period of his determination whether or not to initiate an investigation, the Secretary of the Treasury concludes there is substantial doubt as to whether a domestic industry is being or is likely to be injured, he must give his reasons for such determination and any preliminary information available to him to the Tariff Commission. If the Commission determines within thirty days of receipt of the xxxxxxx and xxxxzzzz that there is no reasonable indication of injury to an industry, it will advise the Secretary and any investigation will terminate. Otherwise, the investigation of the Secretary would continue. The House bill did not contain a similar provision.

Under the House bill, foreign manufacturers, exporters, and domestic importers had an automatic right to appear at hearings required to be conducted by the Secretary and the Commission. The Senate bill would amend Section 201(d)(1) of the Antidumping Act to extend the automatic hearing rights to include U.S. manufacturers, producers, or wholesalers of merchandise of the same class or kind, as well as foreign manufacturers, exporters and domestic importers of such merchandise. Under the Senate bill hearings would be held only at the request of one of the above interested parties.

The Senate bill adds the explicit qualification to the determination procedure that preserves any confidential treatment granted by the Secretary or the Commission during the course of the determination. The House bill did not contain a similar provision.

The House recedes with the understanding that the Secretary of the Treasury is not precluded from issuing an affirmative preliminary determination and withholding appraisement, following the issuance of a preliminary negative determination. However, the Secretary must issue his final determination within three months of his first preliminary determination under the Antidumping Act.

Amendment No. 343: The Senate bill adds a new subsection 205(d) to the Antidumping Act which authorizes the Secretary of the Treasury to impose dumping duties when a multinational corporation operating in several foreign countries supports low-priced exports to the United States through high-priced sales by other subsidiaries located in protected markets. More specifically, when the Secretary determines that:

(1) merchandise exported to the United States is produced in facilities owned or controlled by person, firm or corporation which also owns or controls facilities producing similar merchandise in other countries;

(2) sales in the home market of the country exporting to the U.S. are nonexistent or

inadequate as a basis for comparison with sales of such or similar merchandise in the United States; and

(3) sales of like or similar merchandise made in one or more of the other countries are at prices substantially higher than the prices charged for goods produced in the exporting country;

the Secretary *may* determine the foreign market value by looking at the higher prices (adjusted for differences in cost of production and costs incident to packing) at which such like or similar goods are sold in substantial quantities by one or more of such other foreign facilities located outside the exporting country. The dumping duty could then be assessed in the amount equal to the difference between the purchase price in the United States (or the exporter's sale price) and the higher foreign market value of the goods not actually exported to the United States. The House bill did not contain a similar provision. The House recedes with an amendment making the Senate provision mandatory. Thus, the "may" in italics above is changed to *shall*.

Amendment No. 346: The Senate bill added an amendment to Section 481 of the Tariff Act to direct the Secretary of the Treasury to require that certified import invoices, other than for special transactions, include data on: (1) all rebates, drawbacks, and bounties and grants on the merchandise; and (2) the unit price of the same or similar merchandise in the home market of the country of exports. The information would not be required if the customs officer determined it is currently available. The provision would apply to goods imported on or after the 90th day after enactment of the Act. The House bill did not contain a similar provision. The Senate recedes.

Amendment No. 347: The Senate bill adds a new section 516(d) to the Tariff Act to provide domestic manufacturers, producers, or wholesalers the right of judicial review in the U.S. Customs Court of negative dumping and countervailing duty determinations. The written notice of desire to contest must be filed with the Secretary of the Treasury within 30 days after the determination. This provision will apply to dumping and countervailing duty complaints made on or after enactment of the Trade Act. Under existing law importers and foreign producers are entitled to judicial review. Further, with respect to an antidumping proceeding or countervailing duty proceeding, upon summons, the Secretary is required to furnish the Customs Court with certified copies of the transcript of all hearings, and all notices, determinations or other matters published in the Federal Register in connection with a particular antidumping or countervailing duty proceeding. The House bill did not contain a similar provision. The House recedes.

Amendment No. 353–4: Section 331 of the Senate bill contains a provision for a countervailing duty investigation to be initiated by the filing of a petition by any person setting forth his reasons for believing a bounty or grant exists, as well as at the initiative of the Secretary, which was required in the House bill. In both bills, there must be a Federal Register notice of the initiation of the investigation.

The Senate bill adds a 6-month time limit for a preliminary determination and retains the House 12-month limit for a final determination. In the Senate bill, the time limit begins on the date the petition is filed or the initiation notice is published, rather than from the date the question is presented to the Secretary, as under the House bill. The Senate bill requires that countervailing duties be imposed as of the publication date of the final determination. The House bill provided that such orders would apply 30 days after publication in the Federal Register.

The Senate bill adds to the House bill's extension of the injury test to duty-free imports a change in the suspension of liquidation provision, i.e., provides for suspension in the event the Secretary determines a bounty or grant exists with respect to nondutiable imports so as to require the same effective date for imposition of countervailing duties regardless of whether the merchandise in question is dutiable. Liquidation would be suspended immediately under the Senate bill, rather than 30 days after publication of the determination, as under the House bill.

The Senate bill deletes the provision in the House bill that the imposition of a countervailing duty shall not be required on any article subject to quantitative limitations where such limitations are determined to be an adequate substitute for a countervailing duty.

The Senate bill replaces the temporary waiver provision in the House bill, applicable while negotiations are in progress, with a new discretionary provision adding an explicit Congressional mandate for the President to negotiate internationally-agreed rules and procedures governing the use of subsidies and other export incentives, and the application of countervailing duties. The Senate bill deletes the one-year carve-out in the House bill for cases where an article is produced in facilities owned or controlled by a developed country, which are subsidized. Discretion under the Senate bill in the imposition of countervailing duties is permitted during the *two* year, rather than the *four* year period, following enactment under the House bill if the Secretary determines, after seeking advice from appropriate agencies that:

(1) adequate steps have been taken to eliminate or substantially reduce the adverse effect of the bounty or grant;

(2) there is a reasonable prospect that successful trade agreements under Section 102 will be entered into; and

(3) the imposition of countervailing duties would be likely to seriously jeopardize negotiations.

The Senate bill prohibits the waiver of otherwise mandated countervailing duties in cases involving import-sensitive items such as footwear. The House bill did not contain a similar provision.

The House bill requires only that the third condition exist for the Secretary to be able to exercise the waiver, whereas the Senate version permits the waiver only if *all* of the three conditions exist. Under the Senate, the Secretary may revoke his determination at any time, and must revoke it if a basis supporting such waiver no longer exists.

The Senate bill requires the Secretary of the Treasury to promptly report his determination not to impose duties and reasons therefor to both Houses of Congress. Countervailing duties will be imposed if a majority of those present and voting of either House adopts at any time a disapproval resolution under Section 152 procedures. The House bill did not contain a similar provision.

The House recedes with amendments. The discretion of the Secretary of the Treasury to waive countervailing duties under the conditions specified in the Senate provision are to be effective for a four year period following date of enactment. The prohibition against the application of the waiver will apply only with respect to nonrubber footwear imports. It is the understanding of the conferees that the requirement concerning the elimination or reduction of adverse effects in the waiver provision is not to be construed as the intent of Congress that this language inject an injury concept into countervailing duty cases regarding dutiable goods, nor that the President negotiate, in every case, orderly marketing agreements with countries who are subsidizing exports to the United States in order to avoid the imposition of countervailing duties through use of such waiver.

Amendment No. 368: This Senate amendment amends section 515(d) of the Tariff Act of 1930 by inserting before the period at the end thereof the phrase "or the imposition of countervailing duties under Section 303." The House did not contain a similar provision. The House recedes.

Amendment No. 369: Section 321(d) of the Senate bill provides that for purposes of applying the provisions of Section 303(a)(4) (time limits on preliminary and final determinations) with respect to any countervailing duty investigation initiated before the date of enactment, such investigation shall be considered initiated on the day after such date of enactment. The amendment further provided that the Secretary's final determination on all countervailing complaints filed more than six months before enactment will be reached within six months after enactment. The House recedes with respect to the first provision relating to Section 303(a)(4) of the Tariff Act of 1930 (as amended). The Senate receeds with respect to the second provision relating to complaints filed more than six months before enactment, with the understanding that Section 321(d) of the Senate bill is adequate to subject pending complaints to the time limits of the countervailing duty statutes, as now amended.

Amendment No. 370: This Senate amendment extensively revises Section 337 of the Tariff Act of 1930, relating to unfair import practices, so as to vest solely in the International Trade Commission (subject to Presidential intervention for policy reasons only) final authority to exclude articles concerned in all unfair methods of import competition under Section 337, and to make other changes relating to the disposition of such cases. The House recedes with one amendment, striking the Senate provision requiring the International Trade Commission to consider in cases based upon claims of U.S. letters patents, defenses price gouging.

Amendment No. 375: This amendment adds to section 402 of the House bill (relating to freedom of emigration in East-West trade) a new subsection (c) which authorizes the President to waive the freedom of emigration requirements in such section for a period of 18 months after the date of the enactment of the bill for any nonmarket country if he reports to Congress that the waiver will substantially promote the freedom of emigration objectives of the section and that he has received assurances that the emigration practices of that country will substantially lead to the achievement of the objectives of such section. The amendment further authorizes the President to extend the waiver at the end of the 18-month period, and every year thereafter, subject to an affirmative approval, and thereafter congressional veto requirement. The House recedes.

Amendment No. 378: This amendment adds a new section 403 to the bill which provides that no nonmarket economy country may receive nondiscriminatory treatment or participate in a program under which the U.S. extends credit, credit guarantees, or investment guarantees, and no commercial agreement between the U.S. and any such country may enter into effect, during any period in which the President determines that such country is not cooperating with the U.S. to account for all U.S. personnel missing in action in Southeast Asia, to repatriate such personnel who are alive, and to return the remains of such personnel who are dead. The amendment further provides that any such country may receive such treatment and participate in such program, and that any such agreement shall enter into effect, if the President submits a report to Congress indicating that such country is so cooperating. Such report must include information on the nature of the co-

operating and semiannual reports on the degree of cooperation by that country is required for so long as the nondiscriminatory treatment and credit or guarantees, or any such agreement, is in effect. The amendment does not apply to countries eligible for column 1 tariff treatment. The House recedes with an amendment which authorizes the President to deny the extension of most favored nation treatment, credits, guarantees, to countries which he determines are not cooperating with the United States in achieving the objectives of the Senate amendment. The President's reports to Congress would relate generally to compliance of countries involved in the MIA problem.

Amendment No. 380: Subsection (a) of section 403 of the House bill (section 404 as redesignated by the Senate) stated that the President may by proclamation extend nondiscriminatory treatment to products of a foreign country which has entered into a bilateral commercial agreement or is party to an appropriate multilateral trade agreement to which the U.S. is a party. The Senate amendment replaces the House provision with language stating that the President may only extend nondiscriminatory treatment to a country which has entered into a bilateral agreement with the U.S. The House recedes.

Amendment No. 385: This amendment provides that any bilateral commercial agreement entered into by the President may be renewed if during the life of the agreement a satisfactory balance of concessions in trade and services (balance of trade concessions under the House version) was maintained. The House recedes.

Amendment No. 387: This amendment amends section 405 of the House bill (relating to the authority of the President to enter into bilateral commercial agreements providing nondiscriminatory treatment to products of countries heretofore deemed such treatment) to require that any such agreement—

(1) include safeguard arrangements providing for prompt consultations when actual or prospective imports cause, threaten, or significantly contribute to market disruption, and the imposition of import restrictions appropriate to prevent such disruption (a more detailed statement of such arrangements than provided for in the House bill);

(2) if the party to the agreement is not a party to such Convention, provides rights for United States nationals with respect to patents and trade marks not less than the rights specified under the Paris Convention for the Protection of Industrial Property;

(3) if the party to the agreement is not a party to such Convention, provide rights for United States nationals with respect to copyrights not less than the rights specified under the Universal Copyright Convention;

(4) contain arrangements to protect industrial rights and processes (and such arrangements shall apply only to agreements entered into and renewed after the date of enactment of the bill);

(5) contain arrangements for trade promotion; and

(6) contain other commercial arrangements necessary to promote the purposes of the bill.

The rights and arrangements required under paragraphs (2), (3), (4), (5), and (6) were discretionary under the House bill. The Senate amendment further requires that no bilateral commercial agreement, nor any proclamation extending nondiscriminatory treatment, shall be effective unless approved by Congress by concurrent resolution under the procedures in section 151 of the bill and provided that any such agreement entered into before the date of enactment of the bill, and any proclamation implementing any such agreement, may enter into effect subject to the disapproval of either House of Congress under the procedure contained in section 152. The House recedes.

Amendment No. 389: This amendment substantially revises section 405 of the House bill (section 406 as redesignated by the Senate) under which petitions may be filed with the International Trade Commission regarding products of countries receiving nondiscriminatory treatment under title IV of the bill to determine whether such products are causing market disruption and material injury to U.S. industries producing like or directly competitive articles. Under the Senate amendment—

(1) the Commission must determine whether market disruption exists with respect to an article produced by a domestic industry;

(2) market disruption is found to exist within a domestic industry whenever an article is being or is likely to be imported into the United States in such increased quantities as to be a significant cause of material injury or threat thereof to such industry (under the House language disruption exists whenever imports of a like or directly competitive article are substantial, are increasing rapidly both absolutely and relative to total domestic consumption, and are offered at prices substantially below those of comparable domestic article);

(3) disruption determinations are made with respect to the products of any country dominated or controlled by Communism rather than, as under the House version, only countries to which nondiscriminatory treatment has been extended under title IV;

(4) certain procedural and hearing requirements applicable to import relief determination under title II are made applicable;

(5) reduces the time limit for market disruption investigations from six months to three months;

(6) prohibits the Commission from recommending adjustment assistance in such cases;

(7) requires the President to impose import relief after an affirmative finding of market disruption;

(8) prohibits the President from applying import relief measures to imports other than those from the particular country involved in the affirmative determination;

(9) requires the President to initiate an investigation if he finds reasonable grounds that market disruption exists;

(10) authorizes the President to take emergency relief action under section 201 and 203; and

(11) provides that petitions may be filed with the Special Representative for Trade Negotiations requesting that consultations provided for under safeguard arrangements contained in bilateral agreements with Communist countries be initiated.

The House recedes with amendments which (1) provide that petitions requesting consultations under safeguard arrangements be submitted to the President rather than to the Special Trade Representative, and (2) to redefine market disruption to exist whenever imports of a like or directly competitive article are increasing rapidly both absolutely and as a proportion of total domestic consumption, and such imports are causing or are likely to cause material injury to a domestic industry. The conferees understand that foreign entities would not be eligible to petition for relief under either section 201 or section 406.

Amendments Nos. 393 and 394: These amendments revise the procedures relating to the submission of required documents for, and the effect of, Congressional action on the approval or disapproval of extension of nondiscriminatory treatment to nonmarket economy countries. Under the House bill, Congress could disapprove the extension of nondiscriminatory treatment to a nonmarket economy country. The Senate bill revised the House provisions (1) to require affirmative Congressional approval of any bilateral agreement under section 406 and a proclamation extending MFN treatment if the agreement was entered into after enactment of this Act; (2) to provide for Congressional disapproval of the agreement and implementing proclamation with a nonmarket economy country if the agreement was entered into before enactment of this Act; and (3) to provide for Congressional disapproval of reports submitted under title IV, which disapproval would deny continuation of MFN treatment, deny further participation in United States credit, or guarantee programs and preclude conclusion of a bilateral agreement under section 406.

Amendments Nos. 396 and 397: Amendment No. 396 adds a new section 408 to the bill which provides that (1) Czechoslovakia may not receive nondiscriminatory treatment or participants in any Federal programs extending credit or credit guarantees or investment guarantees, and (2) the United States may not consent to the release to Czechoslovakia of any gold belonging to that country and controlled by the United States pursuant to the Paris Reparations Agreement of January 24, 1946; until the government of Czechoslovakia pays a principal amount it owes to United States citizens under awards rendered against that country by the Foreign Claims Settlement Commission. Amendment No. 397 provides that if Czechoslovakia continues to fail to pay such awards, the United States District Court for the District of Columbia shall have jurisdiction to determine whether Czechoslovakia owns the gold which is controlled by the United States and, upon such finding, issue orders and judgments resulting in the payment of the claims of United States citizens against Czechoslovakia, with any balance remaining to be paid to that country. Under the conference agreement, any bilateral agreement with Czechoslovakia extending most favored nation treatment must include a renegotiation of the claims settlement. However, a more equitable claims settlement may be renegotiated prior to submission of a commercial agreement. The conferees intend that there be a speedy renegotiation of a claims settlement by individuals other than those who negotiated the unreasonable first tentative agreement. No further government credits may be extended to Czechoslovakia until the claims settlement is renegotiated and approved by Congress.

Also, the United States shall not release any gold to Czechoslovakia until the claims settlement is approved.

Amendment No. 398: This amendment adds a new section 409 to the bill which provides that no nonmarket economy country may receive nondiscriminatory treatment or participate in a program under which the U.S. extends credit, credit guarantees, or investment guarantees, and no commercial agreement between the U.S. and any such country may be concluded, during any period in which the President determines that such country has failed to enter into an agreement with the U.S. providing for a mutual exchange of information on production, consumption, and demand of major agricultural commodities, or after entering into such an agreement fails to fulfill it. The amendment further provides that any such country may receive such treatment and participate in such program, and that any such agreement shall enter into effect, if the President submits a report to Congress indicating that such country has entered into, and is fulfilling, such an agreement. The amendment does not apply to countries currently eligible for column 1 tariff treatment. The House recedes with an amendment which makes the application of the prohibition in this section discretionary on the part of the President. The Senate recedes, but it is the intent of the Conferees that the President must determine that there has been compliance with the intent of the Senate amendment on the part of any foreign country before any bilaterial commercial agreement

entered into under the authority of section 405 of the bill including the extension of most favored nation treatment with that country is renewed. Under the bill, all bilateral commercial agreements must be renewed every three years.

Amendments Nos. 399 and 400: Amendment No. 399 added a new section 411 to the bill to prohibit the extension of nondiscriminatory treatment and credits, and the concluding of any commercial agreement, with any nonmarket economy country during any period in which the President finds that such country denies its citizens freedom to emigrate to join any close relative living in the United States, or takes other action to dissuade such emigration. Amendment No. 399 added a new section 410 to the bill the intent of which was to provide that during any period in which a waiver is in effect for any country under section 402(c) of the bill (waiver of prohibition against nonmarket countries which restrict emigration in East-West trade) such waiver shall also apply to that country for purposes of section 411. The House recedes with amendments (1) making conforming amendments necessary to apply the waiver provisions of section 410 to 411, and (2) exempting countries entitled to column 1 tariff treatment on the date of the enactment of the bill from the application of section 411. By including section 411, as amended, in the bill, the Conferees intend to underscore the high importance attached to the right and opportunity to emigrate for the purpose of reuniting close relatives with their families in the United States. The Conferees, however, do not intend to change or affect in any way the provisions of the "Jackson-Vanik amendment," which also deals with freedom of emigration, or to imply that any additional requirements are inserted. Indeed, the purpose of the Conferees' modifications is to bring the coverage of this amendment into complete harmony with the "Jackson-Vanik amendment." The amendment, as amended, accordingly will not substantively go beyond the coverage of the Jackson-Vanik amendment, but the Conferees recommend its inclusion as a means of emphasizing this particular aspect of the general area covered by the Jackson-Vanik amendment.

Amendment No. 401: This amendment adds a new section 412 to the bill requiring the International Trade Commission to establish and maintain a program to monitor imports and exports between the U.S. and nonmarket economy countries. The Commission is required to publish a summary of data collected under the program not less than once each calendar quarter and transmit such publication to Congress. The House recedes with a conforming amendment.

Amendment No. 402: This amendment adds a new section 413 to the bill which establishes within the Executive Branch an East-West Foreign Trade Board to coordinate and oversee the orderly development of trade with nonmarket countries. The Board would be empowered to review East-West transactions involving U.S. Government credits or investments guarantees in excess of $5 million or involving the transfer of technology deemed vital to the U.S. national interest and persons contemplating such transactions would be required to file reports with the Board not less than 90 days before entering into the agreement. The amendment requires the Board to make a determination that any such transaction is in the national interest. Transactions involving more than $50 million which are determined by the Board to be in the national interest would be made subject to Congressional veto under section 152. The Board generally would be charged with oversight and review of U.S. relations with Communist countries. The House recedes with the following amendment:

SEC. 411. EAST-WEST FOREIGN TRADE BOARD.

(a) The President shall establish an East-West Foreign Trade Board (hereinafter referred to as the "Board") to monitor trade between persons and agencies of the United States Government and nonmarket economy countries or instrumentalities of such countries to insure that such trade will be in the national interest of the United States.

(b) (1) Any person who exports technology vital to the national interest of the United States to a nonmarket economy country or an instrumentality of such country, and any agency of the United States which provides credits, guarantees or insurance to such country or such instrumentality in an amount in excess of $5,000,000 during any calendar year, shall file a report with the Board in such form and manner as the Board requires which describes the nature and terms of such export or such provision.

(2) For purposes of paragraph (1), if the total amount of credits, guarantees and insurance which an agency of the United States provides to all nonmarket economy countries and the instrumentalities of such countries exceeds $5,000,000 during a calendar year, then all subsequent provisions of credits, guarantees or insurance in any amount, during such year shall be reported to the Board under the provisions of paragraph (1).

(c) The Board shall submit to Congress a quarterly report on trade between the United States and nonmarket economy countries and instrumentalities of such countries. Such report shall include a review of the status of negotiations of bilateral trade agreements between the United States and such countries under this title, the activities of joint trade commissions created pursuant to such agreements, the resolution of commercial disputes between the United States and such countries, any exports from such countries which have caused disruption of United States markets, and recommendations for the promotion of east-west trade in the national interest of the United States.

And the Senate agrees to the same.

Amendment No. 406: This Senate amendment provides that, for purposes of generalized preferences, those members of an association of countries which constitute a free trade or customs union and which are not otherwise ineligible for designation as beneficiary developing countries may be treated as one country. "Country" is defined to also include any overseas dependent territory or possession of a foreign country, or the Trust Territory of the Pacific Islands. The comparable provision of the House bill provides that any association of countries for trade purposes, no member of which is otherwise barred from designation as a beneficiary developing country, could be treated as one country for purposes of GSP. The House provision also includes within the definition of country any insular possession of the United States. Senate amendment numbered 409 assures insular possessions no less favorable treatment than that afforded articles imported from beneficiary countries.

The House recedes.

Amendment No. 407. Section 502(b) of the House bill lists 26 countries which were expressly ineligible for designation as beneficiary developing countries, and in addition, expressly excluded countries which do not receive most-favored-nation treatment and countries which afford other developed countries reverse preferences, unless the President was assured to his satisfaction that such preferences would be eliminated before January 1, 1976. The Senate bill retained the list of 26 excluded countries, but added the following categories of countries which also are ineligible for preferential treatment:

(1) communist countries, except those which receive MFN treatment, are contracting parties to the GATT and members of the IMF, and are not "dominated or controlled by international communism". This exception is intended to apply only to Yugoslavia and Romania;

(2) members of OPEC or other arrangements the effect of which is to withhold supplies of vital resources from international trade or to raise prices unreasonably causing disruption of the world economy;

(3) countries affording reverse preferences to other developed countries, which have a significant adverse effect on United States commerce, unless the President receives assurances satisfactory to him that such reverse preferences or the adverse effect will be eliminated before January 1, 1976;

(4) countries which have nationalized US-owned property without compensation, negotiation, or arbitration;

(5) countries failing to take adequate steps to prevent drugs from entering the United States from such country illegally; and

(6) countries failing to recognize or enforce arbitral awards not favored of United States Citizens or businesses preferentially owned by United States citizens. The House recedes with the following amendment:

(1) A country which is a member of OPEC or another cartel-type arrangement will be denied preferential treatment if it takes any action to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level. The purpose of this provision is to deny tariff preferences to OPEC members or other cartel countries which cause serious disruption of the world economy.

(2) The mandatory exclusions for nationalization, drug traffic, and failure to recognize arbitral awards are subject to a waiver by the President for reasons of national economic interest. The President must report to the Congress the reasons for not excluding such countries.

Amendment No. 408. Section 502(c) of the House bill provided several discretionary criteria which the President was required to consider in designating beneficiary developing countries, including whether a country had nationalized United States-owned property without payment of prompt, adequate, and effective compensation. The Senate bill deleted this nationalization criterion from the discretionary considerations (and added it to the mandatory exclusions), and added a discretionary criterion based on the extent to which a country has assured the United States of equitable and reasonable access to its markets and basic commodity resources. The House recedes.

Amendment No. 410: This amendment exempts from the exclusion of countries party to arrangements to withhold vital supplies of commodities or to raise the price of vital commodities to an unreasonable level, thereby causing serious disruption of the world economy, countries which enter into agreements contemplated under section 108, and are not in violation of such agreements.

The House recedes.

Amendment No. 411: This amendment modifies the provisions of the House bill with respect to articles eligible for preferential tariff treatment. The House bill provides that value added in a beneficiary country from which the article is directly imported by not less than 35 percent and not more than 50 percent, as prescribed by the Secretary of the Treasury; this is modified to require that, in the case of a single beneficiary country, at least 35 percent of the value of the article be added in such country and in the case of an association of countries treated as one beneficiary country, at least 50 percent of the value of the article

be added in countries that are members of the association. The amendment also excludes imports of textile and apparel articles subject to textile agreements, watches, import-sensitive electric articles and import-sensitive steel articles, specified footwear articles, semimanufactured and manufactured glass products and other articles determined by the President to be import sensitive in the context of generalized preferences from eligibility for preferential tariff treatment.

The House recedes, with the amendment to add the words "import-sensitive" before semimanufactured and manufactured glass to be excluded from eligibility for preferential treatment.

Amendment No. 412. The House bill terminates preferential treatment for a particular article from a particular country (1) whenever the value of United States imports of such article from such country exceed $25 million in any calendar year, or (2) whenever imports of such article from such country exceed 50 percent of the value of total United States imports of the article for any calendar year. The House bill provided that these limitations could be waived by the President for reasons of national interest.

The Senate bill amends these limitation provisions by inserting a formula by which the $25 million ceiling changes annually in proportion to annual changes in United States GNP compared with 1974 GNP, and by exempting from the 50 percent limit articles for which no like or directly competitive articles is being produced in the United States on the date of enactment. The Senate bill also restricts the President's authority to waive the $25 million and 50 percent ceilings to countries with respect to which the following conditions exist: (1) There has been an historical preferential trade relationship between the United States and such country, (2) there is a treating or trade agreement in force covering economic relations between the United States and such country, and (3) such country does not discriminate against, or impose unjustifiable or unreasonable barriers to, United States commerce. The Senate amendment also adds clarifying provisions with respect to the termination of a country's beneficiary status, and the redesignation of beneficiary countries whose status has been terminated.

The House recedes and accepts the Senate amendments.

Amendment No. 428: Section 606 of the House bill states that it is the sense of Congress that effective international cooperation is required to end illicit production, smuggling, trafficking in, and abuse of dangerous drugs. In order to promote such cooperation the President is required to embargo trade and investment with any nation when the President determines that such nation has failed to take adequate steps to prevent narcotics and other controlled substances produced or processed in, or transported through, such nation from entering the United States unlawfully. This section also requires that such suspension shall continue until the President determines that the Government of such nation has taken adequate steps to carry out the purposes of this section. The Senate amendment substitutes for the House language the requirement that the President shall submit a report to Congress each year listing those foreign countries in which narcotic drugs and controlled substances are produced, processed, or transported for unlawful entry into the United States and states that such report shall include a description of the measures such countries are taking to prevent such production, processing, or transport. The House recedes.

Amendment No. 429: This Senate amendment adds a new section 607 to the House bill stating that no person shall be liable for damages, penalties, or other sanctions under the Federal Trade Commission Act or the Antitrust Acts (or any similar State law) on account of his negotiating, entering into, participating in, or implementing an arrangement (or modification or renewal thereof) providing for the voluntary limitation on exports of steel and steel products to the United States, if such arrangement was undertaken before the date of enactment of this Act at the request of the Secretary of State and ceases to be effective not later than January 1, 1975. The House recedes.

Amendment No. 430: This Senate amendment amends section 484(e) of the Tariff Act of 1930 to require the Secretaries of the Treasury and Commerce and the International Trade Commission to establish a single enumeration of articles for import and export purposes, and to seek to provide comparability of statistics on domestic production with such enumeration. All import entries and export declarations are to be in terms of such enumeration.

The House recedes with an amendment which would require the Secretary of Commerce and the International Trade Commission to conduct a joint study of existing commodity classification systems with a view to identifying appropriate principles and concepts to guide the organization and development of an enumeration of articles which would permit comparability of United States import, production, and export data. A report with respect to such study is to be submitted to Congress and to the President no later than August 1, 1975. Further, the International Trade Commission is to conduct an investigation under section 332(g) of the Tariff Act of 1930 to provide the basis for a report on the appropriate concepts and principles which should underlie the formulation of an international commodity code adaptable for modernized tariff nomenclature purposes and for recording, handling, and reporting of transactions in national and international trade; such report is to be submitted no later than June 1, 1975. Also, the International Trade Commission is to begin full and immediate participation in the United States contribution to technical work on the Harmonized Systems Committee under the Customs Cooperation Council.

Amendment No. 431: This Senate amendment adds a new section 609 to the House bill which requires the Secretary of Commerce to submit to the Ways and Means and Finance Committees, on monthly and cumulative basis, statistics on U.S. imports for consumption and U.S. exports by country and product. The amendment sets forth detailed statistical categories and requires that the value of goods and agricultural commodities exported under agricultural and foreign assistance laws, and the total amount of U.S. subsidies paid with respect to agricultural commodities, be separately reported. The Secretaries of Agriculture and State are required to furnish the Secretary of Commerce certain information related to the reporting required under this section. The House recedes with an amendment that requires quarterly and cumulative basis submission of statistics, rather than monthly and cumulative.

Amendment No. 432: This Senate amendment amends section 321 of the Tariff Act of 1930 to increase the duty-free tourist exemption for mail gift items to the United States from American Samoa, Guam, or the Virgin Islands from $10 to $20 retail value. The House recedes.

Amendment No. 433: This Senate amendment adds a new section 611 to the bill which provides that in the case of any protest under section 514 of the Tariff Act of 1930 involving the imposition of an import surcharge in the form of a supplementary duty pursuant to Presidential action on August 17, 1971, the time for review and allowing or denying the protest shall not expire until 5 years after the date the protest was filed in accordance with such section 514. The House recedes.

Amendment No. 434: This Senate amendment added a new section 612 to the bill stating that it is the sense of Congress that the United States should enter into a trade agreement with Canada guaranteeing continued stability to the economies of the United States and Canada and that in order to promote such stability the President is authorized to initiate negotiations for a trade agreement with Canada to establish a free trade area covering the United States and Canada. Any agreement entered into must be reciprocal. It is required that nothing in this section shall be construed as prior approval of any legislation which may be necessary to implement such an agreement. The House recedes.

Amendment No. 435: This amendment added a new section 613 to the bill to provide that after the date of enactment of the bill, no Federal agency may approve any loans, guarantees, insurance, or any combination thereof in connection with exports to the Soviet Union in an aggregate amount which exceeds $300,000,000 without prior Congressional approval.

The House recedes, with an amendment exempting the Commodity Credit Corporation from the provisions of this section, and specifying that the Congressional approval of any loan, guaranty, insurance, or any combination thereof in excess of $300,000,000 must be approved as provided by law.

Approval, under the provisions of the Export-Import Bank Amendments of 1974, of any increase in the $300,000,000 limit contained in such Act on loans, guarantees, insurance, or any combination thereof shall be deemed approval of loans, guarantees, insurance, or any combination thereof in excess of $300,000,000 "as provided by law" under this Act.

AL ULLMAN,
JAMES A. BURKE,
MRS. GRIFFITHS,
DAN ROSTENKOWSKI,
H. T. SCHNEEBELI,
BARBER B. CONABLE,
JERRY L. PETTIS,
Managers on the Part of the House.

RUSSELL B. LONG,
HERMAN TALMADGE,
ABE RIBICOFF,
W. F. MONDALE,
WALLACE F. BENNETT,
PAUL FANNIN,
CLIFFORD P. HANSEN,
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 3022, AMENDING THE WILD AND SCENIC RIVERS ACT

Mr. JOHNSON of California submitted the following conference report and statement on the Senate bill (S. 3022) to amend the Wild and Scenic Rivers Act (82 Stat. 906), as amended, to designate segments of certain rivers for possible inclusion in the national wild and scenic rivers system; to amend the Lower Saint Croix River Act of 1972 (86 Stat. 1174), and for other purposes.

CONFERENCE REPORT (H. REPT. No. 93-1645)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the Bill (S. 3022) to amend the Wild and Scenic Rivers Act (82 Stat. 906), as amended, to designate segments of certain rivers for possible inclusion in the national wild and scenic rivers system; to amend the Lower Saint Croix River Act of 1972 (86 Stat. 1174), and for

guished Senator will have a very Merry Christmas and that, after the new session begins, we can again have a little conversation about the Senator's wishes.

Mr. ALLEN. I thank the distinguished majority leader for his cooperation and sympathetic consideration, and for his assurance of support, may I also say.

THE TRADE BILL

Mr. LONG. Mr. President, I wish to inform the acting majority leader and the Senate, through its Presiding Officer, that we now have the conference report on the trade bill, H.R. 10710—but not the official papers on the bill. I urge the Senators, if they can find the time to do so, that they take a look at the number of Senate amendments that the House has agreed to.

In my judgment, Mr. President, this is a landmark situation. The House has agreed to 423 Senate amendments.

Mr. President, this is something that I have been contending for many, many years, that when the House sends us a good bill, we should not strike good legislative language from the House bill just to try to gain leverage in conference—to try to make them take Senate amendments. Also, they should consider our amendments in the same manner. If they have something good in their bills, I propose we keep it, and we hope that they will show us the same consideration.

I think it is worth noting that, this being one of the first or second times, Mr. Ullman has been acting chairman of the Committee on Ways and Means when we have met in conference, the House has shown that approach. I think it is a tribute to both bodies that on every Senate amendment in which the House could find merit, they took all of it or took it in part. I am grateful to the House of Representatives, its conferees, and the acting chairman, Mr. ULLMAN, in particular, for the cooperation and the thoughtful consideration they gave to the Senate amendments.

I also state, Mr. President, that in filing the conference report on the social service amendments, they agreed to most of the amendments, except mine—which of course I think was the best one in it. That is how it goes, sometimes.

Also, Mr. President, they agreed to all amendments except two on the tax bill that we sent to them, which, in my judgment, is also a hopeful sign.

We shall discuss these conference reports tomorrow. We do not have the official papers, but we do have the conference reports. The Senate can review them overnight.

ORDER FOR ROLLCALL VOTES TO OCCUR AFTER 12 NOON ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if any rollcalls be ordered prior to the hour of 12 o'clock noon tomorrow, there be no rollcall votes prior to the hour 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROVISION FOR THE PRINTING OF THE PRAYERS OF THE HOUSE CHAPLAIN—HOUSE CONCURRENT RESOLUTION 693

Mr. BAYH. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 693.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 693) providing for the printing of the prayers of the House Chaplain.

Mr. BAYH. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

HERBERT HOOVER

Mr. HATFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1418.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1418) to recognizes the 50 years of extraordinary and selfless public service of Herbert Hoover, including his many great humanitarian endeavors, his chairmanship of two Commissions of the Organization of the Executive Branch, and his service as 31st President of the United States, and in commemoration of the 100th anniversary of birth on August 10, 1974, by providing grants to the Hoover Institution on War, Revolution, and Peace, as follows:

Strike out all after the enacting clause, and insert:

That (a) in order to establish an appropriate memorial to the late President Herbert Hoover, the Secretary of the Treasury (hereinafter referred to as the "Secretary") is authorized to make grants, in accordance with the provisions of this Act, to the Hoover Institution on War, Revolution, and Peace, Stanford University, Stanford, California.

(b) No grant may be made under this Act for any fiscal year unless—

(1) the Secretary determines that the total of such grants for that year will not exceed the total amount of gifts, bequests, and devises of money, securities, and other property, made after the date of enactment of this Act, for that year for the benefit of the Hoover Institution on War, Revolution, and Peace; and

(2) the Hoover Institution on War, Revolution, and Peace furnishes to the Secretary such information at such times and in such manner as he may require.

(c) Grants made under this Act may be used for the construction of a new educational building to be used by the Hoover Institution on War, Revolution, and Peace, and for the equipment of such building.

SEC. 2. (a) The Congress finds that, if a facility constructed with the aid of any grant under this Act is used as an educational facility for twenty years following completion of such construction, the public benefit accruing to the United States from such use will equal in value the amount of such grant or grants. The period of twenty years after completion of such construction shall, therefore, be deemed to be the period of Federal interest in such facility for the purposes of this Act.

(b) If, within twenty years after completion of construction of an educational facility which has been constructed in part with a grant or grants under this Act—

(1) the Hoover Institution on War, Revolution, and Peace (or its successor in title or possession) ceases or fails to be a nonprofit institution, or

(2) the facility ceases to be used as an educational facility, unless the Secretary determines that there is good cause for releasing the institution from its obligation,

the United States shall be entitled to recover from such Institution (or successor) an amount which bears to the then value of the facility the same ratio as the amount of such Federal grant or grants bore to the development cost of the facility (as determined by the Secretary) financed with the aid of such grant or grants. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

(c) Notwithstanding the provisions of subsections (a) and (b), no facility constructed with assistance under this Act shall ever be used for religious worship or a sectarian activity or for a school or department of divinity.

SEC. 3. The Comptroller General of the United States, or any of his duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the Hoover Institution on War, Revolution, and Peace that are pertinent to the grant received.

SEC. 4. The Hoover Institution on War, Revolution, and Peace shall, annually, prepare and furnish to the President and the Congress a report on the expenditure of funds received by the Institution in the previous fiscal year during the period for which grants are made under this Act.

SEC. 5. There are authorized to be appropriated to the Secretary for making grants in accordance with this Act amounts not to exceed $7,000,000. Funds appropriated pursuant to this Act shall be available without fiscal year limitation, for the period beginning on the date of enactment of this Act and ending five years after such date.

SEC. 6. Grants made pursuant to this Act shall be the sole Federal memorial to the late President Herbert Hoover.

Amend the title so as to read: "An Act to recognize the fifty years of extraordinary and selfless public service of Herbert Hoover, including his many great humanitarian endeavors, his chairmanship of two Commissions of the Organization of the Executive Branch, and his service as thirty-first President of the United States, and in commemoration of the one hundredth anniversary of his birth on August 10, 1974, by providing grants to the Hoover Institution on War, Revolution, and Peace."

Mr. HATFIELD. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

of the bill S. 754 to give effect to the sixth amendment right to a speedy trial for persons charged with criminal offenses and to reduce the danger of recidivism by strengthening the supervision over persons released pending trial, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. CONYERS

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

The Clerk read as follows:

Mr. CONYERS moves to strike out all after the enacting clause of the bill S. 754, and to insert in lieu thereof the provisions of H.R. 17409, as passed, as follows:

[The engrossed amendment will appear hereafter in the RECORD.]

The motion was agreed to.

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

The title was amended to read as follows: "To assist in reducing crime and the danger of recidivism by requiring speedy trials and by strengthening the supervision over persons released pending trial, and for other purposes."

A motion to reconsider was laid on the table.

A similar house bill (H.R. 17409) was laid on the table.

GENERAL LEAVE

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

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

There was no objection.

CONFERENCE REPORT ON H.R. 10710, TRADE ACT OF 1974

Mr. ULLMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see prior proceedings of the House today.)

Mr. ULLMAN (during the reading). Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read.

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

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

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

Mr. Speaker, this is the end of the road, I would say, on a very important, significant, monumental piece of legislation, one which affects not only the economy of the United States but of the whole world, the free world, the developing countries, and the Communist world.

This will hopefully set a pattern of trade relationships that will see the world through the next decade and, hopefully, encourage trade developments in all the nations of the world.

The conference report, Mr. Speaker, that we bring back to the House is essentially a victory for the House and the Congress. It follows the basic patterns of the bill that we passed in the House last year.

I hope not to take too much time this morning, but let me run very quickly through the different titles of the bill in order to refresh the memory of the Members as to what is contained in the bill.

Title I involves the trade agreement provision and provides the President with authority to negotiate trade agreements and other authorities needed by the President to carry out the responsibilities of the United States in the world economy. We have looked at this very carefully. We have confined and defined the limits very carefully in order to protect the economy of this Nation.

Title II involves import relief provisions. It involves also an adjacent assistance program for those industries and workers and communities which are adversely affected by trade with other nations.

The third title involves fair trade guarantees dealing particularly with countervailing duties and antidumping provisions.

Title IV deals with trade with Communist countries. This has been the subject of a great deal of discussion, and this has caused delay. An arrangement has been worked out that I believe meets the needs of this Nation at this time.

Title V contains preferences for developing countries. This involved some very basic considerations with respect to the OPEC countries and other countries which are dealing unfairly with U.S. citizens and U.S. interests. And so we were able to work out in our conference some provisions that we think very adequately meet that problem.

Let me then go back to title I, and the basic tariff authority, and specifically relate the limitations that we have placed upon the President in his authority to reduce rates.

What we have said in the conference agreement is that the President is authorized in negotiations to eliminate rates of duty 5 percent ad valorem or ad valorem equivalent and below, and in those brackets above that, to reduce the votes of duty by 60 percent.

Other parts of title I are of great significance. With respect to the new provisions on nontariff barrier authority, we have given the President the authority to negotiate nontariff barrier provisions which, of course, are very basic in world trade and are being used more and more by the nations of the world.

This authority is absolutely essential if we are going to establish a good flow of trade between the nations. However, here we have set very careful limitations on that authority by providing that they cannot be implemented except by full congressional action.

As agreed by the conferees, the President is directed to take all steps to harmonize as well as reduce or eliminate nontariff barriers. Authority is provided to negotiate nontariff barriers, including subsidies, agreements to prohibit or limit imposition of nontariff barriers where they do not now exist. The President is required to notify and consult with the Congress prior to submission of agreements to the Congress for approval. Finally, the provision requires a positive two-House approval procedure for all agreements and necessary implementing legislation prior to implementation.

We have renamed the Tariff Commission the U.S. International Trade Commission.

We have adopted some rather far-reaching reforms which we think in some respects might very well be a model for the independent agencies.

Generally, we have provided that the chairmanship and vice-chairmanship of the Commission are to rotate every 18 months rather than being an annual appointment by the President. We have said that there shall continue to be six Commissioners who shall serve only one 9-year term. The voting records of the Commissioners are to be published in the annual report of the Commission. The budget of the Commission will not be subject to review by the Office of Management and Budget but merely submitted through OMB to the Congress. In addition, the conferees agreed that the International Trade Commission should represent itself in judicial proceedings involving actions under its own statutory authority. We think that this will produce a truly independent agency, one that is immune from pressures from the President or anyone else.

With respect to import relief under title II, the most important agreement reached in conference is a provision which would require the President to provide import relief if it is recommended by the Tariff Commission after a finding of serious injury. However, the President could determine not to provide import reliegf if he determined that such action was not in the national economic interest. In addition, the President would have to inform the Congress of his decision and to tell the Congress what other action in addition to adjustment assistance he was taking to assist the injured industry and the disadvantaged workers. Such a determination not to provide relief would be subject to disapproval by the two Houses disapproving the President's determination and requiring the President to impose the recommendation of the International Trade Commission.

Turning a little more specifically to adjustment assistance programs, we tried to make them effective, and we think now we have a program that will indeed go to work to protect those work-

ers and industries that have been adversely affected by trade.

Adjustment assistance for workers will equal 70 percent of workers' average weekly wage for the 52 weeks of entitlement. An additional 26 weeks is allowed workers to complete training and for workers over age 60.

We have provided for a community assistance program also, which we think will be helpful in those communities, particularly smaller communities, that are being hurt by industries that are failing because of trade with foreign nations.

Title III of this bil provides authority to deal with unfair trade practices. While maintaining the general thrust of the House bill, the conferees were able to agree on a number of Senate amendments and some compromises that represent important improvements in the bill. For example, retaliatory measures against unfair foreign practices are to be extended to include imposition of fees or restrictions on foreign services, as well as imposition of duties or other import restrictions on foreign goods. As was indicated in the report in the bill by the Committee on Ways and Means, another important addition is the explicit application of the discretionary retaliation authority on a selective basis to unjustifiable or unreasonable restrictions on access to supplies which burden or restrict U.S. commerce.

In our antidumping and countervailing duty provisions relating to free trade, we have significantly, I think, improved these processes through a speedup mechanism. We have very clearly laid out the time limitations on the agency, so that preliminary determinations must be made in 6 or at most in 9 months, and final determinations are to be made within 3 months after publication of the affirmative determination.

The bill provides much improved opportunities to afford interested parties—now to include domestic producers or wholesalers, as well as foreign exporters and U.S. importers—the opportunity to file complaints, to be heard and to obtain judicial review of antidumping, countervailing duty and other unfair import practice determinations.

In the antidumping area, an important provision was agreed to by the conferees that directs the Secretary of the Treasury to impose dumping duties when a multinational corporation operating in several foreign countries supports low-priced exports to the United States through high-priced sales by other subsidiaries located in protected markets.

In recognition of the effects that countervailing duty cases can have on trade negotiations in the subsidies area, the conferees have agreed on a temporary provision to operate while negotiations are in process allowing the Secretary of the Treasury to suspend the imposition of countervailing duties for 4 years if he determines that adequate steps have been taken to reduce the impact of foreign measures and that negotiations have a good chance to succeed as long as countervailing duties are suspended. As indicated in the statement of managers on the part of the House, this criteria in no way expresses the intent of Congress that countervailing duty cases be subject to injury findings before such duties are imposed in dutiable imports.

This we think will take care of the problem that has been growing in recent years where these cases have been left without action month after month, and in many instances year after year.

Turning now to title IV, which of course has received a great deal of attention dealing with the nondiscriminatory tariff treatment to imports from Communist countries, here we have provided a basic new procedure, as we did in the House bill, for approving of this treatment under very carefully defined provisions.

The item in most controversy has been the so-called Vanik amendment, which we adopted overwhelmingly in the House and, after months of negotiations on the other side, and with the Secretary of State, the other body came up with a compromise agreement which the conference agreed. The provision permits the President to waive the freedom of emigration provision in the House bill for 18 months subject to congressional renewal if the President is assured that the waiver for the particular country will substantially promote the freedom of emigration objectives and the President has received assurances that emigration practices of the country will lead substantially to this objective.

Nondiscriminatory treatment and U.S. Government credits and guarantees could be extended to particular Communist countries meeting the conditions in the waiver, subject to the other provisions of the title.

The conferees agreed to an additional provision not in the House bill which authorizes the President to withhold nondiscriminatory treatment and credit and guarantees from countries which do not cooperate with the United States in locating and returning missing in action in Southeast Asia.

Most-favored-nations treatment will not be given to Czechoslovakia until the outstanding claims of U.S. citizens are renegotiated satisfactorily.

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

Mr. ULLMAN. I am happy to yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I thank the gentleman for yielding. I have been very hopeful that the Congress would see fit to extend to the President's authority to negotiate the most-favored-nations status for the Soviet Union and the Soviet Union bloc nations. As I understand the conference report, as it is now before us, there is no such authority for Czechoslovakia. That is the one nation excluded from the Warsaw Pact under the MFN provision; am I correct?

Mr. ULLMAN. The gentleman is correct that there are special conditions applying to Czechoslovakia.

Mr. FINDLEY. Mr. Speaker, this does seem strange indeed to me that the nation which was invaded by the Soviet Union not too long ago would be denied this authority, and that yet the Soviet Union would have it.

I understand the background of this, but I am wondering if the distinguished chairman, the gentleman from Oregon (Mr. ULLMAN) could give any assessment of how rapidly the Committee on Ways and Means and the Congress might react once the settlement of the claims involving Czechoslovakia does occur? Can we expect high priority consideration of such a measure to extend MFN treatment to Czechoslovakia as well as other nations?

Mr. ULLMAN. The problem of Czechoslovakia is a unique one because of the confiscation of so much property held by U.S. citizens after the war. It also is further complicated by the fact that the United States had captured significant blocks of gold being held then by the three nations, France, England, and the United States, but much of it now held under the control of the United States.

All we are saying here is the Czechoslovakia cannot receive this MFN treatment unless an agreement on the settlement of the claims of U.S. citizens on Czechoslovakia is part of the bilateral agreement which must be approved by Congress.

This is a limitation that we think is something that they can live with. All we are saying is that at the time the President comes back with an MFN agreement, he bring with it an agreement on the settlement of claims.

Mr. FINDLEY. So additional legislation would not be necessary; am I correct?

Mr. ULLMAN. No.

Mr. FINDLEY. The Committee on Ways and Means would be consulted as to its judgment on the quality of that agreement?

Mr. ULLMAN. That is right. In other words, even prior to an MFN agreement, if there were a satisfactory settlement of claims, special legislation could go through the committee which approves the new settlement of claims and the Congress could concur. This action would enable the gold to be returned to Czechoslovakia.

Mr. FINDLEY. Let us assume the gentleman is chairman of the Committee on Ways and Means at that time. Would he expect to give this high priority consideration?

Mr. ULLMAN. Certainly. At any time that there is another settlement and agreement drawn, it would be my purpose, and we will have a trade subcommittee, to have the subcommittee go into it just as quickly as possible to make a determination and, if valid, to bring legislation to the floor.

Mr. FINDLEY. I thank the gentleman for that assurance, and I am sure Czechoslovakia will appreciate it.

I have one further question. I have had a long-standing interest in seeing that Romania is extended the opportunity for MFN status. Romania is one of the countries which is included in this bill?

Mr. ULLMAN. It certainly is, and a lot of us have been interested in seeing to it that Romania is accorded MFN status.

Mr. FINDLEY. I thank the gentleman.

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

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

Mr. BAUMAN. I thank the gentleman for yielding.

In regard to the Vanik amendments, there was a very interesting letter sent from the Soviet Union to Secretary of State Kissinger which said that they do not have any intention whatever of fulfilling the emigration requirements that we have asked them to carry out.

Could the chairman explain to us what the procedure will be in this conference report in the face of this Soviet denial even before the conference report is passed?

Mr. ULLMAN. I think all of these months of negotiations that took place over in the other body on this point were certainly not without the full attention of the Soviet Union, but we think that their statement in no way would affect our action here. We are telling the Soviet Union that they can come in under conditions and get most-favored-nation treatment, and we are laying down the conditions in the compromise agreement. We are allowing for a waiver that is, of course, much short of the test provisions that we have passed in the House, but we think this is a satisfactory arrangement that the Soviet Union certainly could very easily comply with, regarding these requirements, and that it should not impose any undue burden on the Soviet Union and should not stand in the way of progress toward most-favored-nation treatment.

Mr. BAUMAN. If the gentleman will yield further, he has expressed the wish that I have, and that I think most Members have, but my question is, will the President still be able to grant most-favored-nation treatment to the Soviet Union if they refuse to carry out the Vanik amendments.

Mr. ULLMAN. In the compromise agreement the President has the authority to waive the provisions subject to a finding of satisfactory progress being made. We think that this certainly will enable the President to go forward with negotiating with the Soviet Union for most-favored-nation treatment.

Mr. BAUMAN. If the gentleman will yield further, is the answer: Yes; the President does have the power to waive the Vanik amendment requirements and grant MFN, even though the Soviets do not comply with the Vanik amendments."?

Mr. ULLMAN. What we are saying here is that there must be some determination that there are understandings in that regard being worked out, and that they are making satisfactory progress. Then and and only then could he extend MFN.

In other words, if they totally refuse even to talk about it, then we think the President does not have the authority to waive, but if they are in the process of negotiation and are working out understandings then the President can make such a finding and he can waive it.

Mr. BAUMAN. And then he is required to make that finding?

Mr. ULLMAN. That is right. Under those circumstances he can waive the Vanik amendment.

Mr. Speaker, in considering the agreement to the conference report and the amendments thereto, I find there is a discrepancy between the language of amendment No. 396 as adopted and the explanation in the managers' report with respect to the extension of U.S. Government credits or guarantees to Czechoslovakia. The language in the managers' report should be interpreted as meaning that no further Government credits could be extended to Czechoslovakia unless it complied with the provisions of section 402 on freedom of emigration which makes such credits subject to the congressional veto procedures under section 407.

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

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

Mr. DENT. Mr. Speaker, will there be some time available for the opposition?

Mr. ULLMAN. If the gentleman from Pennsylvania wants some time, I will be happy to yield to him such time as I have, hopefully 5 minutes during this debate, yes. I know the genteman is in opposition and we want him to be heard.

Let me turn finally now to title V which has been the subject of a great deal of controversy. This has to do with preferential treatment for the developing nations. The reason that it has of course been under attack is because there are so many developing nations that have treated our nationals unfairly or that are imposing their undue price increases on us in petroleum or in other natural resources. So the conferees agreed not to give preferential treatment or to exclude members of OPEC or other cartel-type arrangements which exclude members of OPEC or other cartel-type arrangements which take actions to withhold supplies of vital commodity resources from international trade or raise prices of such resources to unreasonable levels. Countries expropriating U.S. property without providing for adequate compensation, countries failing to take adequate steps to cooperate with the United States to prevent unlawful entry of narcotics, and countries which fail to recognize or enforce arbitral awards would also be excluded, subject to waiver by the President in the national economic interest reported to the Congress. Certain articles regarded as "import sensitive" would also be excluded from duty-free preferential treatment.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 721]

Adams	Ford	Mathias, Calif.
Addabbo	Frey	Mathis, Ga.
Alexander	Froehlich	Mayne
Anderson, Calif.	Fulton	Mills
Andrews, N.C.	Giaimo	Morgan
Armstrong	Grasso	Nelsen
Badillo	Gray	O'Hara
Baker	Griffiths	Owens
Biaggi	Grover	Podell
Blackburn	Hanna	Powell, Ohio
Blatnik	Hansen, Idaho	Price, Tex.
Brasco	Hansen, Wash.	Railsback
Byron	Harrington	Rarick
Camp	Harsha	Reid
Carey, N.Y.	Hastings	Roncalio, Wyo.
Cederberg	Hays	Roncallo, N.Y.
Chappell	Hollfield	Rooney, N.Y.
Clark	Howard	Ruppe
Clay	Huber	Ruth
Cochran	Ichord	Sandman
Collier	Jarman	Scherle
Conte	Johnson, Colo.	Shipley
Cotter	Jones, Ala.	Shoup
Davis, Ga.	Jones, N.C.	Smith, N.Y.
Delaney	Kemp	Stark
Dellums	Kyros	Steele
Derwinski	Landgrebe	Stephens
Devine	Landrum	Thompson, N.J.
Dickinson	Lent	Thomson, Wis.
Diggs	Lujan	Traxler
Dulski	Luken	Wiggins
Edwards, Calif.	McCloskey	Winn
Erlenborn	McEwen	Wyatt
Esch	McKinney	Wydler
Eshleman	McSpadden	Wyman
Evans, Colo.	Macdonald	Yates
Evins, Tenn.	Madden	Young, Ga.
Fish	Maraziti	Zion
Foley	Martin, Nebr.	Zwach
	Martin, N.C.	

The SPEAKER. On this rollcall 316 Members have recorded their presence by electronic device, a quorum.

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

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 620) entitled "An act to establish within the Department of the Interior an additional Assistant Secretary of the Interior for Indian Affairs, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the Joint Resolution (H.J. Res. 1180) entitled "a joint resolution making urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes."

The message also announced that the Senate agrees to the House amendment to the Senate amendment to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3022) entitled "An act to amend the Wild and Scenic Rivers Act (82 Stat. 906), as amended, to designate segments of certain rivers for possible inclusion in the national wild and scenic rivers system; to amend the Lower Saint Croix River Act of 1972 (86 Stat. 1174), and for other purposes."

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

H.R. 12884. "An act to designate certain lands as wilderness".

The message also announced that the Senate recedes from its amendment to the title of the foregoing bill.

The message also announced that the Senate tables the conference report on the bill of the following title:

S. 1728. An act to increase benefits provided to American civilian internees in Southeast Asia.

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

S. 1045. An act for the relief of Dino Mendoza Pascua;

S. 2298. An act for the relief of Robert M. Johnston;

S. 2532. An act to promote conservation, reduce wastage, and attain greater efficiency in the generation, transmission, and distribution of electrical energy and natural gas, encourage improved financial stability of public utilities and natural gas companies, and for other purposes;

S. 2644. An act for the relief of Mr. Joselito S. Arca and Dr. Corazon I. Arca;

S. 3103. An act for the relief of Abram Aguirre-Gonzalez and Hilario Aguirre-Martinez;

S. 3248. An act for the relief of Miss Rosario Y. Quijano, Walter York Quijano, Ramon York Quijano, Tarcisus York Quijano, Denis York Quijano, and Paul York Quijano;

S. 3260. An act for the relief of Dr. Gustavo Scioville;

S. 3735. An act for the relief of Dr. Benedicto Principe and his wife, Erlinda Madula Principe;

S. 3839. An act to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes;

S. 3940. An act for the relief of Nestor Manuel Lara-Otoya;

S. 3977. An act for the relief of Patrick Andre Tasselin and his wife, Fabienne Francoise Tasselin;

S. 4206. An act to provide price support for milk at not less than 85 per centum of the parity price therefor, and for other purposes;

S. Con. Res. 125. Concurrent resolution favoring the suspension of deportation of Carlos Marquez de la Plata-Montalvo; and

S. Con. Res. 127. Concurrent resolution authorizing the Secretary of the Senate to make technical corrections in the enrollment of the bill, S. 2854.

CONFERENCE REPORT ON H.R. 10710, TRADE ACT OF 1974

The SPEAKER. The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. VANIK).

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

[Mr. VANIK addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. ULLMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, it is too bad that this legislation comes up at this point in time. This is the most important bill to come before this Congress this year dealing with the economy of this Nation and the economies of all the nations in the world, those nations that trade with us and those that do not trade with us.

This is one bill that no one wants to hear anything about, because they might hear something that is in opposition to their views. The trade bill is just like someone who starts taking dope. People who take dope know it is wrong, they know it is unhealthy, they know that in the end it will kill them, but they keep on taking it.

Everything I have said to this Congress in the last 20 years has come true. I told this body many times that no high-cost nation could survive in a free-trade world with low-cost producers. If we think we are surviving, then we had better start taking a look at this Nation's present position. After all these years of hearing it said that each trade bill was going to increase exports from the United States and that what we were passing was legislation that would create more jobs in the United States, we have today fewer jobs on a population basis than we have ever had in our lifetime, including the time of the Great Depression.

Those of us who have watched this situation and worked in this particular area of legislation and who have had the opportunity to visit almost every producing country in the world have seen the growth of production facilities all over the world, financed in the main by American taxpayers' money. What seems to have not been considered by most of the Members of Congress in the last 20 years is that public funds are building production facilities which later become the property of or for the use of American businessmen and production facility owners who ship the foreign-made product back into the United States.

Mr. Speaker, I would say that if every man and woman in this Chamber were to take his or her shoes off, we would find that not more than 30 percent of those shoes would have been made in America. I would say that if every one of us were to take a look at the cloth inside our suits and shirts, we would find that the greater proportion would have been made outside the United States. The greater proportion of the textiles used in this country are made outside the United States.

We cannot have an economy based upon jobs unless we have the production facilities. I have said many times—and the answer to this is so plain that it can be seen every day of our lives right now in America—that when we give up our marketplace to cheaply made products, eventually we will dry that marketplace up, not only for our own product but for the products of the rest of the world. That is why the whole world today is on the brink of a great disaster.

Free trade is the most wonderful dream that the world has ever had, but it has never been free and it never will be free, because once we allow competitive goods to flow into the marketplace at a noncompetitive price, we dry up that marketplace. For years and years we have been lapping up the luxury of buying cheaply made goods from overseas.

We now find that our friends overseas are losing their market here.

Mr. Speaker, I regret that this bill comes up at this time under these conditions.

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

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

Mr. CONABLE. Mr. Speaker, H.R. 10710 is on the verge of becoming the first major foreign trade law to be enacted in this country in a dozen years. It is urgently needed. It would be one of the finest Christmas presents the United States could give itself this year.

I realize that trade is a controversial subject. Most of the opponents of this bill seem to deplore the state of world trade, the status quo, and feel the United States is not getting a fair shake. Yet, they resist any effort to improve the state of world trade through the type of negotiation this bill would permit.

It is obvious that enactment of this legislation will not resolve all the economic problems facing the industrialized Western World. It is equally clear that failure to enact will handicap severely any efforts to reach resolution and will diminish the economic leadership role of the United States.

Unless we maintain a leadership role in this area, I want to tell the Members quite frankly, nothing is going to be done. We are such a dominant economic force in the world that others depend on our leadership, and nobody else is going to bail us out.

It is impossible for us to assume a leadership role unless our negotiators, under our President, are authorized to do the things that are necessary to reach a resolution of our common problems.

Failure to enact will adversely affect relationships with our major trading partners and with adversary power centers, such as the Soviet Union. I rather suspect that nothing would give our foes more satisfaction than the demise of the legislation before us. As a matter of fact, there is a serious question whether the statement by the Soviet Union 2 days ago did not reflect an assessment, a cold-blooded assessment, that they had more to gain from frustrating this bill than they had from possible so-called normalization of trade relations with the United States.

As it emerged from the conference, this trade bill represents a viable amalgam of the House and Senate versions. It is a document with which our negotiators can work effectively.

Let me just review the various titles of the bill briefly. Title I provides the President with authority, which he has lacked for 7 years, to adjust tariffs in pursuit of a trade agreement.

The House version of the measure, which we passed a little over a year ago, would have permitted reductions of 100 percent on tariffs of 5 percent ad valorem or less; 60 percent on tariffs between 6 percent and 25 percent ad valorem; and 75 percent on tariffs above 25 percent ad valorem, with a 10 percent ad valorem floor.

The Senate changed the formula to permit reductions of 100 percent on

duties of 10 percent ad valorem or less, and 50 percent on others.

The conference formula would allow reductions of 100 percent on tariffs of 5 percent or less and 60 percent reductions on tariffs over 5 percent.

From the standpoint of the conferees and the Administration, this should be a workable compromise.

Let me say that our greatest hope in negotiation lies with respect to those traiffs for which there is a high ad valorem rate, and that is why 60 percent was considered more desirable as a reduction in the final version than the 50 percent in the Senate formula.

Title I also gives the President authority to negotiate agreements on nontariff barriers to trade.

With the proliferation of these so-called NTB's in recent years, their importance in the international exchange of goods and services has soared, surpassing that of tariffs. The novel NTB negotiating authority provided in this bill therefore assumes landmark proportions.

The House version of the bill required that NTB agreements calling for a change in the U.S. law be referred to the Congress, where they could be vetoed by a majority vote of either House within 90 days.

The Senate version required that all NTB agreements be submitted to the Congress where affirmative action by both Houses would be necessary before they could go into effect. The Senate also enlarged upon the House bill provisions requiring consultation with the Congress before entering into agreements.

I will tell the Members that there is some concern about this provision, but the Senate version requires that the Houses must act, provides that the matter simply cannot be filibustered to death, and gives assurance that affirmative action will be taken.

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

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

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

Mr. SCHNEEBELI. Mr. Speaker, as one of the conferees I strongly endorse and ask for the approval of this legislation.

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

Mr. CONABLE. I yield to the gentleman from Idaho.

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

I wonder if the gentleman could explain to us what the 70 percent compensation for laid-off workers amounts to?

Mr. CONABLE. Mr. Speaker, I will get to that matter in just a minute, if the gentleman will wait, and then I will be glad to yield to the gentleman later.

Mr. SYMMS. I thank the gentleman.

Mr. CONABLE. The conferees decided to adopt these Senate changes providing for a "fast track" positive approval system, including time limits on consideration, prohibition of amendments, and automatic discharge of committees from consideration.

It might be emphasized at this point that under either version, the legislative branch would have been given a much greater voice in the development of trade agreements. Thus the conference compromise calls for congressional action not only with respect to NTB agreements, but with respect to numerous other provisions of authority as well.

As a matter of fact, there are some of us who feel that Congressional involvement in this process is going to become quite burdensome, and I think that at some time in the future we are going to want to review this aspect.

There is no doubt about this bill putting Congress in the negotiating process to a major degree.

The House bill authorized the President to impose a temporary import surcharge, up to 15 percent ad valorem, or other import restrictions, in large and serious balance-of-payments deficit situations.

The Senate version which the conferees adopted makes Presidential action mandatory in such cases, but I would emphasize that the President must first make a determination with regard to balance-of-payments deficits which also includes a consideration of the Nation's best interests. So that the President does have some leeway in this respect.

The Senate deleted from the House bill provisions giving the President authority to suspend import barriers in periods of high inflation on the grounds that the Congress can deal with short supply situations by passing duty suspension bills and that the tariff suspension authority granted under these provisions could have made all but 15 percent of U.S. imports duty free.

The House conferees agreed to this deletion.

Title I also makes a number of important changes involving the Tariff Commission. The name of the organization would be changed to the U.S. International Trade Commission. Its six commissioners would serve 9-year terms without reappointment, instead of their present 6-year terms; the Commission chairmanship would rotate every 18 months; the pay of the commissioners would be upgraded; their voting records would be published; and the Commission would be given an independent budget.

These changes were approved in large part because we were trying to remove the Tariff Commission from possible influence by the State Department, which it was felt had failed to fully represent American consumer interests in the past.

Title II of the House bill provided easier access to relief from injurious import competition for domestic firms and workers. The old "escape clause" provisions were liberalized, and the Senate did not alter the thrust of these improvements. There were changes, however, with respect to Presidential action following affirmative injury determinations by the former Tariff Commission.

The conferees agreed on compromise language which would require the President to provide the import relief recommended by the Commission, or other relief as he might find appropriate, except in such cases where he felt it would be in the national economic interest not so to do.

In other words, everything could not be put off on the security side; a finding of national economic interest would be required. If the President decided against following the Commission's recommendations, he would have to explain his decision to Congress, which then could provide whatever relief it wished.

Title II of the House bill also provided a program of adjustment assistance for workers displaced by import competition. The workers would have been entitled to trade adjustment allowances up to 70 percent of their average weekly wages for 26 weeks and 65 percent of their average weekly wages for another 26-week period.

The Senate bill would have provided payments of 75 percent of weekly wages for the entire 52 weeks. The conferees settled on 70 percent for the full period. Both versions of the bill included an assistance program for firms also, and no changes of great magnitude were made by the Senate in the House provisions.

The Senate did add an entire chapter to the bill in order to establish an adjustment assistance program for communities, and the House conferees adopted this after insisting on a few modifications. Essentially the program would offer import-impacted communities the same kind of help given redevelopment adjustment areas under the Public Works and Economic Development Act of 1965, plus loan guarantees specified in the bill.

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

Mr. CONABLE. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

What are the guidelines? In other words, we have automobile workers being laid off by the hundreds at the present time. Can they qualify now?

Mr. CONABLE. There has to be a definite import relationship demonstrated for the purposes of this bill.

Mr. SYMMS. Are there any estimates on how much the cost would be in the coming 2 years?

Mr. CONABLE. I think we have some estimates. Of course, it is dependent on the level of unemployment related to imports, and that is something that is very difficult to predict.

Mr. SCHNEEBELI. If the gentlemen will yield, first I should like to say that under the adjustment assistance provisions of the Trade Expansion Act of 1962, for 5 years the cost was low. The Senate Finance Committee estimated that, under this bill, if 100,000 people were put out of work because of imports, the approximate cost would be $335 million a year, but this sum probably would be reduced because of recent congressional action expanding unemployment compensation benefits.

Mr. CONABLE. If I could interject at this point, the reason it is not a more substantial figure is that if these people are unemployed, they would be covered by unemployment insurance anyway, regardless of import impact. This does provide a somewhat flexible, supplemental program for those whose unemployment is related to imports.

Mr. SYMMS. I thank the gentleman.

Mr. CONABLE. Title III of the bill

which provides domestic interests with relief from unfair trade practices, was tightened somewhat in the other body, and the House conferees agreed to most of the changes.

Mr. CARNEY of Ohio. I appreciate the findings the gentleman in the well is stating, but it has come to my attention there is no printing of this report. On a matter of a nature as serious as this is, while I respect the conferees, I, for one, would like to have something in writing so I can see what I am doing. Absent that, I have no alternative but to vote no on this.

I would like to see if we can get some printed copies in here. They were delivered to the Government Printing Office at 11 o'clock last night. It looks as though they do not want us to see them.

The SPEAKER. The gentleman did not make a point of order; he just made a speech.

Mr. CARNEY. The point of order is, let us get some copies up here.

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

Mr. CONABLE. I yield to the gentleman from Oregon.

Mr. ULLMAN. I thank the gentleman for yielding.

The fact of the matter is that the papers were sent down to the Printing Office last night at 11 o'clock. In the old days we used to have a Printing Office that got things up here. We have done everything that we could possibly do to get the Printing Office to move. I do not know what the problem is down there, but I hope that the gentleman will reconsider. I feel worse about it than he does, because I think it is extremely bad that we are put in this kind of a situation.

I had hoped this Congress would do something about it.

Mr. ASHBROOK. Mr. Speaker, if the gentleman will yield, will a quorum call give us some time to get it up here printed.

Mr. ULLMAN. I hope the gentleman will not do that. We are under great pressure of time and the Senate is waiting for us to get this paper over to them.

Mr. ASHBROOK. I think we do a great disservice to the legislative process to allow this monumental piece of work that has been worked on for 2 years to be considered in this way and to squeeze consideration of it into the last hour or so and then come up with the excuse that we do not have a printed record. I think that is an attrocious example of legislation at its worst. I think we ought to be ashamed of it.

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

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

Mr. STEIGER of Wisconsin. May I ask a question totally unrelated as to whether or not there are copies available in print?

Mr. CONABLE. Yes.

Mr. STEIGER of Wisconsin. My understanding is that the conferees agreed to the provision of the other body which would say that even if there are quantitative limitations on products brought into the United States that the countervailing duty can continue and can be imposed?

Mr. CONABLE. Yes. I can assure the gentleman there could be countervailing duties in addition to any quantitative limitations. I know the gentleman's great interest in this and I am sure his interest stimulated the conferees to try to accept the Senate version on this.

Mr. STEIGER of Wisconsin. Mr. Speaker, if the gentleman will yield further, I am sure this would apply to other products than dairy products.

Mr. CONABLE. It does.

Mr. STEIGER of Wisconsin. But I do want to pay tribute to the conferees for the fact that I think this provision in the conference report is a significant step forward. I must say I am pleased it was contained in the report and I am grateful to the leadership and all on this side and to the other body for having gone to this disposition.

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

Mr. CONABLE. I yield to the distinguished gentleman from Colorado, a member of the committee.

Mr. BROTZMAN. Mr. Speaker, as I recall we started working on this legislation almost 2 years ago.

Mr. CONABLE. We passed it in the House a year ago.

Mr. BROTZMAN. That is right. We were confronted with serious trade balance difficulties. Is that not correct?

Mr. CONABLE. Yes.

Mr. BROTZMAN. We had a bad balance-of-payments problem?

Mr. CONABLE. Yes; and also it has been greatly compounded by the oil situation since that time.

Mr. BROTZMAN. This is what I was going to ask the gentleman to point out. There is a major urgency about getting this piece of legislation passed and while it is not perfect in every respect I think there is something to recommend it to every Member of this House and more particularly to every Member's constituents, because the problem is getting worse and not better, and this legislation is going to enable our negotiators to really do something constructive for our country. Is that not what the gentleman is trying to tell us?

Mr. CONABLE. The gentleman makes a very good point and it should be underscored. If Members voted for this a year ago when it was passed in the House, intervening events make it even more necesary and important to pass it. The gentleman makes a very good point and I welcome it.

Mr. BURLISON of Missouri. Mr. Speaker, if the gentleman will yield, the gentleman makes the point we passed this a year ago and the Senate also considered it at that time or before then, I presume. Is that correct?

Mr. CONABLE. That is correct.

Mr. BURLISON of Missouri. Is there anything in writing for study by Members with rsepect to this confrence report?

Mr. CONABLE. We already have had a discussion of that, I will say to the gentleman. There is nothing in print available at this point on the conference report because of the problems at the Printing Office.

Mr. BURLISON of Missouri. I was not on the floor at that time and I am not sure at this point how I will hold on this issue, but it seems to me that the buttressing argument for voting against it is the fact that we have been dealing with this legislation for so long and yet we get it at the last moment without any time to give it serious consideration and study.

Mr. CONABLE. I think it would be most regrettable if people voted against this legislation for this reason, when most of the issues have been very well understood and debated in both bodies. It seems to me this kind of problem at this stage in our deliberations is almost inevitable.

I regret that the other body did not act more promptly on this matter so we could avoid this situation.

(Mr. BURLISON of Missouri asked and was given permission to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I will move quickly through my remaining remarks.

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

Mr. CONABLE. Both Houses had made it clear they felt that administrative action in antidumping and countervailing duty cases should be expedited and that enforcement of these venerable statutes should be strengthened. There were, therefore, no outsized differences to be ironed out in these areas.

Title IV of the bill has been, without question, the most controversial portion. It would, among other things, permit the President to extend to nonmarket countries the same tariff treatment given our major trading partners, providing these countries could meet certain criteria, primarily concerning their emigration policies. Public discussion of these provisions, and the finer points of U.S. negotiations with the Soviet Union on the matter, have been so thoroughly aired in the press and the electronic media that virtually anything I might say at this point would run the risk of being superfluous. I would merely make two comments, one with respect to a particularly well publicized Senate addition and one in general.

The Senate added, as a condition to the extension of nondiscriminatory tariff treatment, a requirement that a nonmarket country cooperate with the United States in its effort to account for all of our personnel missing in action in Southeast Asia. The House conferees agreed to the thrust of this amendment and the conference report makes it clear that the President may, indeed, deny normalized tariff treatment as well as the extension of Government-backed credits to any nation which does not so cooperate.

Generally speaking, Mr. Speaker, I regret that the attention which has been given to the provisions relating to trade with Communist countries has overshadowed—and unfortunately so—the bulk of this legislation, which is concerned with our dealings with traditional trading partners in the free world.

I have believed from the beginning that we should not allow our relationships with Russia to dictate our relationship with the European community and Japan.

It seems to me our dealings with Russia are going to be less significant economically, although they may be important politically, than our relationship

with the rest of the developed and developing countries.

Title V was designed by the House to permit the President to grant generalized tariff preferences to the developing countries, with the thought this would work to the ultimate advantage both of the United States and the beneficiary states. The Senate amendments generally would have the effect of narrowing this authority.

However, it should be noted that at the time the House developed the Trade Act of 1974, we had not encountered such problems as the oil embargo. Therefore, the House conferees were amenable to Senate amendments to title V limiting the extension of generalized tariff preferences to countries which might be classified as less developed, but which are members of cartels withholding supplies of, or disruptively pricing, vital commodities.

In summary, Mr. Speaker, I would have preferred to see the Trade Act of 1974 returned to the House virtually intact. But I think it is fair to say that the product of the conference is a very meritorious piece of legislation. Our country needs it, the world needs it, and I urge the House to support it now.

Mr. Speaker, I yield 5 minutes to the gentleman from Iowa (Mr. GROSS).

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

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding me this time.

Here you are today paying the penalty, those of you who voted yesterday for a procedure by which a committee chairman can walk through a door to this Chamber and throw a conference report at you, without a printed report by way of an explanation and you take it and you like it.

The gentleman from Pennsylvania (Mr. DENT) told it to you straight a few minutes ago when he said that if you put this country, a high-cost-producing country, on free trade, you can expect to do one thing and that is to lower the standard of living in this country. That will be the inevitable result.

Instead of the sugar-coated title that adorns the bill it might well be called the American worker unemployment promotion bill, or if you would like another title, the "Democrat Presidential candidate promotion bill."

I understand that the AFL-CIO says this bill does nothing, or almost nothing, to prevent U.S. firms, especially multinational firms, from moving their plants overseas.

Instead of always giving aid and comfort to the Communists, never giving them an opportunity to fold when they get in trouble, what do we do? We rush to their aid with easy credit purchases of our products and give them our technology. We never give the Communist world a chance to demonstrate its weaknesses. We go to its rescue every time by building factories for them and now they, too, are shipping us their tractors and taking the jobs of American workers.

And why should we now interfere in Russia's internal affairs and say, in effect, "You have got to double the emigration of Jews in order to get most-favored-nation trade treatment from the United States."

What business have we meddling in their internal affairs and on the other hand, going to their rescue? This bill provides, as I understand it—and please correct me if I am wrong—a 70-percent-of-wage compensation for American workers who are forced into unemployment by virtue of the competition of foreign-made products coming into this country. Does anyone care to suggest what this provision of the bill is going to cost? I wish somebody would give us some of the intimate details, some estimate of the cost that is going to flow from the enactment of this bill.

I have been here a few years, and all I have seen the Trade Agreements Act and its extensions accomplish is to further put the American worker and the American consumer in a deeper and a deeper bind and call for more money by way of subsidies, compensation, and indemnities from the U.S. Treasury. When are we going to return in this country to some hardnosed bargaining and trade with foreign countries? When are we going to stop the movement of American industry abroad?

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise in support of the conference report.

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

Mr. FRENZEL. Mr. Speaker, I rise in strong support of this conference report on the Trade Reform Act of 1974. After 2 years of waiting, and the threat of constant delays and political hazards, this essential piece of legislation finally appears about to be passed. And more importantly, our postelection labors have been vindicated.

The "lameduck" at last has laid a golden egg.

I offer my congratulations to the members who served on the conference committee. Their speedy and effective work has salvaged what could have been one more last-minute calamity.

A close scrutiny of the conference report itself indicates that the bill has been improved substantially in many areas over the version that the House passed last December. Both Senate and conference committee actions contributed to this added strength.

As the news keeps rolling in that our 1974 balance of payments will go deeper into deficit, this bill takes on greater significance than even some of the domestic economic proposals that are pending. The passage of this bill will hopefully set in motion a series of events designed to tackle the world's and the U.S. economic problems. I for one think it is one of the high points of the 93d Congress; one which should carry great significance at this time of the year when hope traditionally springs eternal.

The bill has flaws. One which bothers me is the Long amendment which sets up a mechanism to audit East-West trade transactions. Trade restrictions, or inhibitions, defeat trade expansion, limit growth of export-created jobs, and destroy the goals of détente.

The bill also carries with it the foul stench of the Emergency Energy Transportation Act. According to press reports, the President was obliged to sign that anticonsumer boondoggle as the price of getting the trade bill out of the Senate. This problem dramatizes our inability to deal with the other body because it allows any of its members to do anything he wishes. Any Senator can make almost any amendment become law, no matter what the House wants, or what the Executive wants.

The adoption of the Vanik and Jackson amendments are milestone statements in behalf of human rights. We can only hope that the Russians will take advantage of the most-favored-nation status offered by opening up free emigration for all their citizens.

Without this bill U.S. traders will continue to labor under unreasonable burdens in international trade. The bill allows us to expect equal access to the markets of our trading partners when we allow them access to ours. The bill allows us, in addition, to negotiate more effectively for equal treatment in third markets.

A vote for this bill is a vote for American jobs, for a better balance of trade, and for a better U.S. and world economy.

Mr. ASHBROOK. Mr. Speaker, it is certainly amazing how little attention is given to one of the most crucial issues in this bill, that of Soviet trade. I am one of those who would oppose giving the Soviet Union trade concessions or credits under any circumstance, but to consider the deceitful way in which this so-called compromise is brought to us today does little to add any luster to the already diminished reputation of this body.

Two days ago this House passed an export-import bill which authorized $300,000,000 worth of credits—think of that—credits—to our enemies in the Soviet Union. It also authorized credit to Arab nations whose history of hostility to us does not merit any favorable trade and credit concessions. Today this body is setting our course on giving the Soviet Union most-favored-nation treatment, which is deplorable and a serious error. I think this week will replace December 7 as the time that lives in infamy. Those who vote for this bill will live to regret it, not just for the pro-Soviet Union aspects of the bill but the damaging effect it will have on American business interests and American workingmen. It will hurry us on our path of losing American jobs and becoming a nation of shopkeepers.

First, consider the so-called compromise made with the Soviet Union over the matter of Jewish emigration. In the first place, it is ridiculous to trigger trade concessions to their actions of this type. They know how to hold us up and in past dealings have taken us to the cleaners.

Mr. Speaker, can we believe Secretary Kissinger or the Soviet Union?

Secretary Kissinger has told us that a compromise has been worked out with the Soviet Union under which freer emigration will be allowed—even though the number of minority groups involved seemed to have been restricted.

The Soviet Union, through its news agency Tass, has "flatly rejected" any connection between trade and emigra-

tion. The Soviet Union has made public a letter handed to Kissinger October 26—almost 2 months ago. This letter was given to Kissinger very shortly after Senator JACKSON announced his "compromise." The letter denied any agreement on stepped-up emigration—thus in so many words denying the existence of any compromise at all.

What is the reaction of those who have supposedly been supporters of the concept of freer Soviet emigration? Senator JACKSON has said that the Soviet letter and position is "facesaving." Senator RIBICOFF has said:

If there's a problem, let Kissinger straighten it out with the Soviets.

If I remember correctly, one of the main reasons for the original freer emigration language was the need for definite provisions where the Congress was the arbiter. Now the Soviets say that there is no "compromise." And very few here today seem to accept that fact.

We know that Secretary Kissinger desires most-favored-nation treatment for the Soviets without freer emigration. Are we now to rely on his efforts to get that freer emigration? It seems to me that we are letting down once again millions of people in the Soviet Union and other nonmarket states.

I also think it important to discuss the issue of reciprocity in international trade. The United States has long been a supporter of reciprocal lowering of trade barriers. Other countries must learn that the United States will not continue to allow favorable trade treatment to them if they do not offer the same benefits to this country. Be it Canada, Japan, of the Common Market countries, trade must be a two-way street in agricultural and industrial commodities. The United States must not be expected to continue giving trade benefits to countries which refuse to reciprocate.

This bill does not place our self-interest in a priority position. Previous trade bills have been hailed as improving American exports and creating jobs. In each case, they have done the exact opposite. Our trade balance is now running against us worse than ever. The impact of cheap imports is obvious.

This bill will encourage runaway American industry, multinational corporations, and cheap imports. Already the Soviet Union is dumping shiploads of tractors in the United States to compete with our companies—at the same time we bail them out with cheap wheat, loans, and credits. How dumb can we get.

More important, we must recognize that we are a high cost-producing nation. We have carried the world on our backs for years and have built-in obligations in military, agricultural, foreign aid, and international bank funding. To go down the path we have with more free trade at a time there is no free trade in the world is nothing short of disastrous. This will be a week that lives in infamy.

Mr. CONABLE. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. CARNEY).

Mr. CARNEY of Ohio. The gentleman from Ohio has alluded to the question I want to ask.

I understand the so-called Vanik-Jackson type of amendments required Russia to ease up on her emigration policies. Hurriedly reading the press, I see Russia says there is no agreement whatever. Will you please comment?

Mr. CONABLE. The opus is on them. If they do not wish to proceed as they have outlined to us, then of course they will not receive the benefits which this bill would provide.

Mr. CARNEY of Ohio. Senator JACKSON indicated there was a written understanding. Does the gentleman know of a written understanding on this subject?

Mr. CONABLE. There was an exchange of letters in which this information was set up.

Mr. CARNEY of Ohio. Are the letters before us? Have people seen them?

Mr. CONABLE. They are included in the Senate committee report to the act, Calendar No. 1231 in the Senate.

Mr. CARNEY of Ohio. Is there any agreement in here with Russia that is written down, as to emigration?

Mr. CONABLE. I do not believe it is in the form of an agreement. For that reason, I believe it is up to the Russians as to whether they want the benefits of this bill or not.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. LONG).

(Mr. LONG of Maryland asked and was given permission to revise and extend his remarks.)

Mr. LONG of Maryland. Mr. Speaker, I am going to vote for this bill, but with deep reservations because the trade bill's passage will make possible the continued extension of generous Export-Import Bank credit to the Soviet Union. These Export-Import Bank credits, even under the $300 million per year limitation under the Export-Import Bank authorization will, in combination with other credits and trade concessions, enable the Soviet Union to continue the arms buildup and aggressive actions that for 25 years have kept the world in an uproar.

The Soviet Union has instigated wars in Korea and Vietnam. It has subsidized wars in the Middle East. The Soviets are challenging us on the high seas. Through their arms buildup and their arms exports, the Soviets have precipitated a world armaments race, very welcome, I might say, to our military, who use this arms race as a very convenient reason for enlarging our Military Establishment and encouraging increased military spending around the world.

But just at a time when this tremendous worldwide armaments buildup was beginning to outrun even the Soviet Union's ability to require sacrifice from their people, we came to their help.

Beginning in 1972 and to date, we have provided the Soviets with $750 million in grain credits through the Commodity Credit Corporation at 6⅛ to 9½ percent interest, and $469 million in Export-Import Bank credits, almost all of which have been at 6 percent interest.

Of the $750 million in Commodity Credit Corporation grain credits, $550 million have been utilized.

The $469 million in low-interest Export-Import Bank credits has been associated with an equal amount of private commercial credits at higher interest rates. The total amount of U.S. exports made possible by the Eximbank and private credits has been $1.04 billion. If we add the $750 million in grain credits, we have supplied the Soviets with a total of about $1.8 billion in cheap capital goods and critical grain supplies.

Further, four more Eximbank loans for the Soviet Union are pending for $95 million—to be paired with private lending to enable the export of $211 million of U.S. goods.

Most of these 16 Eximbank loans already made to the Soviets and the four pending loans are for basic heavy industry—such as the $154 million loan for the Kama River Truck Plant and loans for piston assembly lines, valve making machinery, and so forth. Such projects and products could obviously aid munitions industries as well as civilian industry.

A $50 million proposed loan for Siberian energy exploration will help the Soviets, who encouraged the Arabs to maintain their oil embargo of the United States, to develop their energy resources.

Without the trade bill, this massive export of U.S. capital to the Soviet Union could not continue because the Export-Import Bank authorization bans further loans to the Soviet Union until Congress acts on the trade bill.

It is hard to swallow our constant subsidy of the Soviet Union's economic development while the Soviets are carrying out their massive arms buildup that threatens us and that threatens our interests around the world.

The Soviets have accelerated their attempts to attain superiority over the United States in strategic missiles and naval forces. Our $1.8 billion in economic resources has subsidized this military buildup by enabling the Soviets to avoid shifting domestic resources away from military expenditures to their crying needs in agriculture and industrial development.

In addition, the Soviets supplied massive amounts of sophisticated weapons to Arab countries which made possible the 1973 Yom Kippur war. Since that war the Soviets have completely resupplied the Arab armies, so that they are more powerful than in October 1973. Our economic aid to the Soviets has enabled them to provide more arms and economic aid to the Arabs than they otherwise would have been able to do. Further, were it not for the Soviets arms supplies to Iraq, our military would have no excuse to propose massive arms sales to Iran and multi-billion-dollar arms sales to other countries in the Persian Gulf, where an arms race is madness.

Therefore, I have grave reservations in supporting this legislation.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. GIBBONS).

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

Mr. GIBBONS. Mr. Speaker, I have no reservations about this bill at all. This is a good piece of legislation. It is a constructive piece of legislation. It has been fought over and hardly fought over. The participants on that side, on both sides, agree that the bill is good, and should be passed.

If we have to measure the most-favored-nations treatment or nondiscriminatory treatment in this bill as a percent of the whole weight of the bill, the

effect of the bill, it is not 1 percent of the bill. This bill is essentially the groundwork for a compact between the free nations of the world to extend their economies and to strengthen themselves. That is what this bill is. It is too bad we get off on the red herring that sometimes gets thrown up about it, and this matter that President Nixon wanted to include as favored-nations treatment, or nondiscriminatory treatment, is not worth the argument, but it is worth the argument now that a deal has been struck over immigration. To fail to pass this bill now, after the deal has been struck over immigration, would be a sad mistake.

All of those who have participated in the negotiations, the President, the Secretary of State, Mr. JACKSON, Mr. VANIK, and all of the outside interests, realize that this bill must pass now or the very delicate arrangement about negotiations will fail. It will tragically fail.

If it should fail, then the Russians get no benefit out of this. But I would urge my colleagues to get their eyes back on the real ball, what is really in this bill. This is the groundwork for the strengthening of the economic systems of the free nations of the world.

That is what we are talking about. That is 99 percent of this bill, whether we measure it by volume or by quality or anything else.

If we fail on this date to vote for this conference report, then history will record that we failed here on December 20, 1974, to make one positive move that was within our power.

Mr. Speaker, I urge the Members to vote for the conference report.

Mr. SCHNEEBELI. Mr. Speaker, I support the conference report on the Trade Act of 1974.

The House sent to the Senate, about a year ago, an excellent bill. After much delay, the measure was returned to us, with 435 amendments. The managers on the part of the House accepted a number of these, but we rejected many which we felt were not in the best interests of the country and which would not enable our negotiators to do an effective job of reaching mutually beneficial trade agreements.

The legislation as produced by the conference still would achieve the primary objectives of the measure which was produced by the House. It would provide the President with basic negotiating authority, on both tariffs and nontariff barriers to trade. It would enable our domestic enterprises and their employees to obtain relief much more easily from injurious imports. It would strengthen the United States hand in dealing with unfair trade practices by other countries. It would permit the President to extend nondiscriminatory tariff treatment to nonmarket countries if they can meet certain criteria, mainly, concerning emigration. And it would authorize the extension of generalized tariff preferences to developing countries under conditions designed to protect U.S. interests.

In all, Mr. Speaker, it is a bill which is tailored for our times. We might live without it, but we would not live as easily or as well.

I urge my colleagues to approve it overwhelmingly.

Mr. PREYER. Mr. Speaker, I rise in support of the Trade Reform Act of 1974 as reported by the conference committee. I believe it is worthy of note that this legislation has received the support not only of major American exporting industries but of all who understand the dangers of a retreat into self-defeating protectionism. It would be easy to cut off foreign competition in the hope of maximizing employment in the United States. Today however even the leaders of industries which would benefit most from high tariff barriers remember the disastrous results of the Tariff Act of 1930. We learned that even then the world had become so interdependent that no country could isolate itself from the Great Depression.

We will, of course, have to make certain that our American worker is protected in any trade policy we pursue. We must have necessary safeguards against import injury to industries, and adequate assistance to groups of workers and firms adversely affected by imports. We must have strengthened U.S. measurers against unfair trade practices to assure more equitable trading rules or conditions under which U.S. producers and traders must compete. In short, negotiations to expand trade by reducing trade restrictions must include a call for sound bargaining based on the principle of enlightened self-interest.

Within the framework of these basic principles, we must recognize that today the United States is totally enmeshed in the web of world trade. Not only do the "Fortune 500" buy and sell around the globe, but thousands of small shops and farms produce for foreign markets. To preserve and expand our foreign markets we must welcome competition from abroad in a spirit of fair play. It is not only a healthy stimulant to American industry but also insures the best possible prices for American consumers.

Our fervent hopes for peace and improved living standards in the underdeveloped nations would be doomed if we strangled them with barriers to their exports. It would be particularly foolish to inhibit growth of those whom we have been assisting with our foreign aid programs over the past 25 years.

Mr. Speaker, I note with special pleasure the declaration of our textile industry in a resolution adopted by the American Textile Manufacturers Institute on December 3, 1974. The enlightened leaders of this industry, who face stiff competition from foreign imports have declared their support of this act. Within this context of existing marketing arrangements rational growth has been permitted in textile and apparel imports. The administration has confirmed that these arrangements will not be discontinued under the Trade Reform Act inasmuch as they are perceived as a valuable instrument of international trade policy. The 2½ million Americans working in the textile and apparel industry will continue to receive a reasonable modicum of protection while foreign imports are given a fair chance consistent with the spirit of the Trade Reform Act.

Mr. Speaker, the security of the Free World ultimately depends on our economic strength and our ability to coexist with the nations of the East whose ideologies are contrary to every belief that we hold dear. The recent thaw in East-West relations does not mean that the Communists have given up their determination to see the destruction of capitalism, but increased economic interdependence is inevitable for both the East and the West. The insistent demands for improved standards of living in the Communist world can only be met through trade with the West. Vested interests in peaceful commerce will develop rapidly on both sides after passage of this bill. Let us therefore dedicate ourselves to ever vigilant but peaceful coexistence as we open another small door in the walls that stand between us.

Mr. Speaker, I urge passage of the Trade Reform Act of 1974.

Mr. ROBINSON of Virginia. Mr. Speaker, in its consideration of this trade legislation, the Congress has had a special concern for reiterating objection to the restrictive emigration policies of the Soviet Union in the matter of Jewish Soviet nationals who have desired to emigrate to Israel.

While I have great compassion for these situations, I do believe that it is important to make a record here today in behalf of the several dozen spouses of U.S. nationals who have been denied emigration.

One of these is the wife of Prof. Woodford McClellan of the University of Virgina.

Even though Professor McClellan has visited the Soviet Union on several occasions under exchange scholar programs, he has been denied a visa to visit his wife at this Christmas season.

Let us have in mind the Soviet Jews who want to emigrate to Israel, but let us have more particularly in mind the spouse of U.S. nationals who simply want to join their husbands or wives here in our own country.

Mr. VANIK. Mr. Speaker, although I expect to vote for the Trade Reform Act of 1974, there are grave problems with this bill.

In the area of East-West trade, I want to thank the conferees for standing by the objectives of the freedom of emigration amendment—the so-called Jackson-Vanik amendment. The modification of the amendment which has worked out provides a system of "trial trade" with the Soviet Union. During this 18 month trial period, we can test the degree with which the Soviet Union is taking a compassionate attitude toward those minorities in the Soviet Union who seek to emigrate. We can measure the compassion shown by the Soviet Union in permitting the reunification of families.

In the economic sections of the bill, there are imperfections in the authorities granted to the President. However, both the House and the Senate have engineered safety valves and controls to prevent abuses. I am hopeful that these controls will stimulate freer trade with due regard to the problems facing our domestic economy. I am hopeful that the trade negotiations permitted under this act will be carried on in such a way as to

minimize adverse impacts on our domestic employment and industries.

The overriding need for this bill stems from the need to establish détente with the Soviet Union and others who may be willing to negotiate and establish trade relationships. Only through a broad interchange of our talents, resources, skills, and cultures can we expect the development of the kind of understanding out of which peace, security, and mutual prosperity can be achieved.

The current economic problems of the Western World and the United States stem from the energy crisis and the extortion prices which are currently being demanded for oil. There can be no real hope of success in our negotiations and discussions with the oil producing states if our negotiations are burdened with the harrassment and interference of the Soviet Union. The settlement of our problems in the Middle East can be more readily achieved if we can develop the cooperation of the Soviet Union as a friendly trading partner with some interest in our domestic success and prosperity.

Finally, Mr. Speaker, the trade bill is unprecedented in the annals of American economic legislation since it requires for the first time some humane considerations, some regard for the liberty and happiness of people, while it seeks to achieve the goals of economic interchange. The freedom of emigration amendment is a good precedent. It is my hope that every American law will include some similar type of hallmark as we legislate for business and industry. There is wisdom in also legislating for human decency and for the respect of the individual. Nearly 200 years ago, our Nation began its independence, based on the principles of liberty and human dignity; I hope that these principles may more frequently become the identifying trademark of our legislative efforts.

Mr. PEPPER. Mr. Speaker, now that the trade bill has passed despite deep and loudly expressed misgivings of the American people as to whether under it they may be taken advantage of by others, I think it is time to speak frankly to the rest of the world as the Senator who sponsored the lend-lease bill which was the beginning of U.S. acceptance for the responsibility for peace of others.

At the end of the last war the United States alone with the power of the atom bomb could have ruthlessly dominated the earth. But it showed the world for the first time a nation with overwhelming power that did not choose to dominate others. Rather without parallel in history it showed a sense of responsibility for the well-being of all nations of the world.

To friend and foe alike, all of them, Russia included, it offered not only freedom from abuse of U.S. power but a generous sense of responsibility for their affirmative well-being—the Marshall plan, foreign aid, protection from aggression, unrequited efforts to make the United Nations an effective instrument. U.S. power and generosity alone has created the longest period of comparative peace after a major war the world has ever enjoyed.

With the additional risks of being taken advantage of in this latest gesture of the trade bill, it is high time to serve on friend and foe alike the same kind of warning that was sounded last week in the United Nations by our Ambassador Scali. That warning is that we who do not choose to abuse our power are completely conscious of our ability to resist abuse of power by others if under whatever guise they choose to engage in scarcely concealed economic war doubting our moral and political capacity to organize an internal unity to resist them.

We are fully as aware as others that during our period of aid to the rest of the world we have drawn down some of our higher grade native raw materials. Correspondingly we are fully aware that for the moment we have become seemingly dependent in an increasingly degree on raw materials from other countries—materials ironically largely developed by the hard-earned capital savings of the American people and the American technology developed by the unparalleled American investment of hard-earned tax dollars in education.

We know that if it were not for the American developmental contribution the valuable resources now possessed by others would only be mountain, swamp and desert wasteland and that the economic colonialism they loudly bewail is the only reason they have anything to sell at all. They remind me of the old story of the contest between the birds who could fly highest. After the eagle alone had attained a height far above the others a little wren who had hid in the eagle's feathers jumped an inch higher and squeaked: "See me—I am the highest."

We have lately had indications that despite this fact that their resources in usable marketable form are in truth owed to development through American technology and capital development, some nations in their possession enjoy the illusion that they can now indefinitely deny the use of these materials to the U.S economy in a customary form.

In extending through the trade bill the boon of our cooperation both to the Soviet Union and the possible expectations of mainland China in particular we are not unmindful of their energizing in and out of the United Nations those who have used the unilateral power to injure the maintenance of our own economy by their unilateral withdrawal, without notice or consultation, of materials which have been the basis of a multilateral trade between them and us on which our economy has become accustomed to rely.

May I say to all of these for the American people whether they like to hear it or not. In the last generation the United States has had a brain drain on the entire world of the best of the world's technological competence. Further we have shown as no other nation has ever shown that when we want what we want hard enough we can mobilize our technological competence to produce substitutes for any industrial raw material at a rate of acceleration the rest of the world cannot dream of.

When during the last war we were cut off from natural rubber we invented because we had to, a synthetic rubber which has had the unintended effect of substantially cutting down the demand value of natural rubber. When similarly we were cut off from sources for natural fertilizers we invented because we were forced to new synthetic fertilizers which have since the war dominated the world market. Even before the war when we found ourselves short of natural textile fibers we led the world in the invention and production of synthetic fibers with lasting consequence to the value of natural fibers.

When we had to beat Hitler's long headstart to the atomic bomb we mobilized to beat the German schedule. In space we beat the Russian schedule. The first footsteps on the moon despite the early start of the Russian Sputnik were American footsteps, and the lessons of basic science learned thereby are only beginning to come into application. What we have done before we can do again and do it better. And there will be no spur to the determination of the American people to do it more than the feeling that by such mobilization of our technology and spirit they are avenging generosity abused.

I say to the world for the American people that this trade bill is our last doubtfully tendered gesture of generosity.

I say to the world, as one long in the business of feeling the sentiment of grassroots America, that the American people have reached a unified sentiment of feeling abused by the irresponsibility of the illusionary ambitions of others.

I say to the world that if the present situation continues Project Independence will become a reality faster than the world dreams—just as we beat Hitler's long headstart to the atom bomb and just as we beat Japan's headstart with the infamy of Pearl Harbor. And the consequences will be that our goals will be met in a shorter time than is conceived by those who fancy they hold us in economic hostage. They will end up sooner than they dream with their precious raw materials, in competition with new American technological substitutes, a drug on the international market and a disaster to their undeveloped domestic expectations.

I am not like Brennus to the Romans offering the rest of the world either economic peace or economic war. If others choose to interpret our position thus it is their interpretation, not ours, and they can make the most of it.

What I am saying is an honest warning. The American people are reaching that point of being sick and tired of the pretentious attempts at their abuse by those whom they have benefited. If it comes to an economic competition for basic materials this once a generous, patient Nation will roll over as it did after Pearl Harbor and find a new fierce unity in resisting that newest kind of aggression upon us.

Later investigation of the insane decision of the Japanese to attack Pearl Harbor showed how others can miscalculate the spirit of an aroused America. With the America-first sentiment in the United States and the passage of the draft bill by only one vote, the Japanese miscalculated that if they frightened the American people with a successful strike on Pearl Harbor and the prospects of a long war the American people would not have the stomach and determination to face up to a long war. The incredible

organization of the conquest of the Pacific and the bomb on Hiroshima showed how deeply the Japanese miscalculated the morale of the American people and their unified determination whatever their minor divisions to avenge abuse.

I say to the world today that they had better not make the same calculation the Japanese made with Pearl Harbor. There are divisions in America today. But only one thing is necessary to dissolve these divisions in immediate and passionate unity. And that is a conviction that we are being taken for a sucker.

With the Trade Bill we offer and welcome a true détente to all nations. But we are suspicious. The mutually advantageous to trade of a true détente must be reciprocal—not a one-way street. And if it proves not to be reciprocal—we are ready to make it a one-way street—our way.

About all things world, one simple unvarnished warning—America will not long be taken for a sucker.

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to strongly commend my colleagues who served as conferees on the Trade Act of 1974. The conferees from both Houses worked diligently to bring back a bill which could be approved by both Houses in this late hour of the 93d Congress.

I would like to say that I feel that the bill is much improved over the House bill which passed last December. Unfortunately, the bill does not go far enough in bringing about the reforms in our trade laws and in our tax laws that are needed to assure that our workers will have jobs in the future. As a conferee, I would have liked to have had the opportunity to include in this bill many of the provisions that were in the Burke-Hartke bill which I sponsored in the House. Unfortunately, those provisions on trade and taxes which would encourage industry to stay in the United States and provide employment to Americans were not in conference. Had they been, you may be assured that, as a conferee, I would have seen to it that they were included in the bill brought back from conference.

Again, I want to commend our acting chairman, the Honorable AL ULLMAN, and the ranking minority member, the Honorable HERMAN SCHNEEBELI, who worked so diligently and to my mind successfully.

Again, I say that the bill, while greatly improved over the measure passed by the House, does not go far enough in assuring the employment opportunities that will be needed in the years ahead. Therefore, reluctantly, I must vote against this bill.

I would suggest that the negotiators note my vote against this bill. They may take it as a sign that I will be watching very closely the agreements that will be negotiated under it.

Mr. SKUBITZ. Mr. Speaker, I supported the trade bill when it was before this body for consideration. I believe in trade but trade must be a two-way operation. It should not be made a vehicle to interfere with the internal affairs of another country—nor should it serve as a Presidential promotional vehicle. The trade bill as passed by the Senate does exactly that. Unfortunately our conferees succumbed to the demands of the other body. Furthermore, the history of trade negotiations under past bills have worked to the detriment of small business. In turn large business because of high production costs keep establishing new plants in other countries where labor costs are much lower. It is unfortunate, that this body is called to act on this bill on the last day of the session, a bill which in my opinion will have a greater impact upon our economic posture than any other proposal that I can think of. Realizing full well that the bill will pass by a lopsided vote. I must, in good conscience, vote against the report—a vote that is not against trade but in protest.

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

Mr. Speaker, on the Soviet issue, just for one final clarification, the President cannot exercise his 18-month waiver unless he reports to the Congress that he has determined the waiver will substantially promote the objectives of freedom of emigration and that he has received assurances that the emigration practices of the country will substantially lead to the achievement of those objectives. At the end of 18 months, that waiver expires unless the President recommends an extension and submits his reasons; this would require another determination. It requires an act of Congress in order to extend that authority for another 12 months. This is an airtight procedure.

Insofar as bargaining is concerned, in reply to the comment by the gentleman from Iowa that we should have tough bargaining, this bill contains all the ingredients for the kind of tough bargaining that this Nation must have if we are to enter into a new trade era. This is a solid piece of legislation. This is a cornerstone in the program of world reconstruction that is going to have to take place in the years immediately ahead.

Mr. Speaker, I urge the Members to support what I consider to be one of the most important pieces of legislation this Congress has considered.

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

The previous question was ordered.

The SPEAKER. The question is on the conference report.

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

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 323, nays 36, not voting 75, as follows:

[Roll No. 722]

YEAS—323

Abdnor
Abzug
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Byron
Carter
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conyers
Corman
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Dellenback
Denholm
Dennis
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Erlenborn
Esch
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fuqua
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammer-schmidt
Hanley
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hawkins
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Johnson, Calif.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
McClory
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Martin, N.C.
Matsunaga
Mayne
Mazzoli
Meeds
Metcalfe
Mezvinsky
Michel
Miller
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Neill
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Wis.
Stokes
Stubblefield
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Wright
Wylie
Yatron
Young, Ga.
Young, Ill.
Young, S.C.
Zablocki
Zion

NAYS—36

Ashbrook
Burke, Mass.
Burlison, Mo.
Carney, Ohio
Conlan
Crane
de la Garza
Dent
Duncan
Flynt
Gaydos
Gonzalez
Gross
Heckler, Mass.
Hicks
Ichord
Mathis, Ga.
Melcher

Milford	Skubitz	Wilson, Charles H., Calif.
Moakley	Steiger, Ariz.	Young, Alaska
Murtha	Stratton	Young, Fla.
O'Hara	Sullivan	Young, Tex.
Roberts	Symms	
Runnels	Teague	
Satterfield	Tiernan	

NOT VOTING—75

Adams	Fulton	Moss
Anderson, Calif.	Grasso	Nelsen
Biaggi	Gray	Owens
Blackburn	Grover	Podell
Blatnik	Hanna	Powell, Ohio
Brasco	Hansen, Wash.	Railsback
Broyhill, Va.	Harrington	Rarick
Camp	Hays	Roncallo, N.Y.
Carey, N.Y.	Hébert	Rooney, N.Y.
Chappell	Howard	Ruth
Clark	Jarman	Scherle
Clay	Johnson, Colo.	Shipley
Collier	Jones, Ala.	Shoup
Conte	Jones, N.C.	Stark
Cotter	Kuykendall	Stephens
Davis, Ga.	Landgrebe	Stuckey
Davis, Wis.	Landrum	Traxler
Delaney	Lujan	Winn
Dellums	Luken	Wolff
Edwards, Calif.	McCloskey	Wyatt
Eshleman	Macdonald	Wydler
Evans, Colo.	Maraziti	Wyman
Evins, Tenn.	Martin, Nebr.	Yates
Ford	Mathias, Calif.	Zwach
Froehlich	Mills	
	Morgan	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hays with Mr. Blatnik.
Mr. Hébert with Mr. Gray.
Mr. Shipley with Mr. Mills.
Mr. Edwards of California with Mrs. Hansen of Washington.
Mr. Harrington with Mrs. Grasso.
Mr. Cotter with Mr. Rarick.
Mr. Biaggi with Mr. Powell of Ohio.
Mr. Chappell with Mr. Froehlich.
Mr. Fulton with Mr. Hanna.
Mr. Howard with Mr. Owens.
Mr. Jarman with Mr. Collier.
Mr. Rooney of New York with Mr. Kuykendall.
Mr. Morgan with Mr. Grover.
Mr. Moss with Mr. Luken.
Mr. Stark with Mr. Landgrebe.
Mr. Stephens with Mr. Zwach.
Mr. Wolff with Mr. Conte.
Mr. Yates with Mr. Camp.
Mr. Macdonald with Mr. McCloskey.
Mr. Landrum with Mr. Lujan.
Mr. Stuckey with Mr. Blackburn.
Mr. Jones of Alabama with Mr. Nelsen.
Mr. Delaney with Mr. Davis of Wisconsin.
Mr. Dellums with Mr. Clark.
Mr. Evins of Tennessee with Mr. Maraziti.
Mr. Jones of North Carolina with Mr. Wyman.
Mr. Clay with Mr. Davis of Georgia.
Mr. Ford with Mr. Martin of Nebraska.
Mr. Evans of Colorado with Mr. Eshleman.
Mr. Adams with Mr. Broyhill of Virginia.
Mr. Anderson of California with Mr. Wydler.
Mr. Carey of New York with Mr. Mathias of California.
Mr. Traxler with Mr. Railsback.
Mr. Winn with Mr. Roncallo of New York.
Mr. Shoup with Mr. Wyatt.
Mr. Ruth with Mr. Scherle.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference just agreed to.

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

There was no objection.

DIRECTING CLERK TO MAKE CORRECTIONS IN ENROLLMENT, H.R. 10710

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 696) directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 10710.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 696

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, the Clerk of the House of Representatives is authorized and directed to make the following corrections:

(1) On page 103, lines 16 and 17, of the House engrossed bill, strike out "date of the enactment of this Act" and insert "effective date of this chapter".

(2) On page 103, line 23, of the House engrossed bill, strike out "date of the enactment of this Act" and insert "effective date of this chapter".

(3) On page 104, line 6, of the House engrossed bill, strike out "date of the enactment of this Act" and insert "effective date of this chapter".

(4) On page 104, line 9, of the House engrossed bill, strike out "date of the enactment of this Act" and insert "effective date of this chapter".

(5) On page 104, line 14, of the House engrossed bill, strike out "date of the enactment of this Act" and insert "effective date of this chapter".

(6) On page 148, lines 15 and 16, of the House engrossed bill, strike out "311 through 315, 317(a),".

(7) On page 148, line 19, of the House engrossed bill, strike out "(c) (2) and (3)" and insert "(c)".

(8) On page 148, line 20, of the House engrossed bill, strike out "302(b)(2), (d), and (e)" and insert "302(b) (1) and (2), (c), (d), and (e), 311 through 315, 317(a),".

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

There was no objection.

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

[Mr. ULLMAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDING SOCIAL SECURITY ACT

Mr. ULLMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see prior proceedings of the House today.)

Mr. ULLMAN (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

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

There was no objection.

Mr. ULLMAN. Mr. Speaker, on December 9 the House passed H.R. 17045 providing for a new arrangement for funding of social services and defining Federal and State responsibilities. That bill was a result of many months of effort on the part of the Health, Education, and Welfare Department and the National Governors Conference, a coalition of about 40 agencies.

The House passed the bill. The other body subsequently passed a different version of that bill and added two amendments. The House rejected the one amendment dealing with low-income allowances and amended the other one extensively, and we bring this conference report back to the House in that manner.

The social services provisions generally follow the House bill with the following exceptions.

The conference agreement retains the requirement that three types of services be available to recipients of supplemental security income and that family planning services be offered to each appropriate person receiving aid to families with dependent children.

The House provision regarding the upper income limit for free services was retained with the provision that the Secretary of Health, Education, and Welfare could by regulation establish the extent to which fees might be charged below this level. The provisions of the House bill regarding fees for services to families with incomes between 80 percent of the median family income in the State—or the national median if lower—and 115 percent of State median income was retained.

The Senate provisions regarding standards for child care in the ratio of adults to children of various ages were accepted. In the case of children under 3, the ratio is left to regulations of the Secretary of Health, Education, and Welfare.

The conference agreement makes more general the requirements in the House bill regarding program reporting, evaluation, and audit, permitting the Secretary to require reports concerning the uses of service funds which shall be the basis of his annual report to the Congress. The House provision for a hearing to the State on the basis of failure to comply under the requirements is retained and the Secretary is given the

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. MOSS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 1328.

CONVEYANCE TO JASPER COUNTY BOARD OF EDUCATION, GA.

The bill (H.R. 510) to authorize and direct the Secretary of Agriculture to convey any interest held by the United States in certain property in Jasper County, Ga., to the Jasper County Board of Education, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MOSS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, the Senate is waiting on conference reports from the other body. I am doing everything I can to expedite the transmittal of the conference reports to this body so we can complete our work and adjourn sine die.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TENDERING THE THANKS OF THE SENATE TO THE VICE PRESIDENT FOR THE COURTEOUS, DIGNIFIED, AND IMPARTIAL MANNER IN WHICH HE HAS PRESIDED OVER THE DELIBERATIONS OF THE SENATE

Mr. HUGH SCOTT. Mr. President, I submit a resolution and ask for its immediate consideration.

The resolution (S. Res. 474) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the thanks of the Senate are hereby tendered to the Honorable Nelson A. Rockefeller, Vice President of the United States and President of the Senate, for the courteous, dignified and impartial manner in which he has presided over its deliberations during the second session of the Ninety-third Congress.

Mr. HUGH SCOTT. I thank the Chair.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING THE PRESIDENT OF THE SENATE TO SIGN ENROLLED BILLS AND RESOLUTIONS

Mr. HUGH SCOTT. Mr. President, I introduce a resolution and ask for its immediate consideration.

The resolution (S. Res. 475) was read, considered by unanimous consent, and agreed to as follows:

Resolved, That, notwithstanding the sine die adjournment of the two Houses, the President of the Senate, the President pro tempore, the Acting President pro tempore be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed and found truly enrolled.

QUORUM CALL

Mr. HUGH SCOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the pending business? What is the will of the Senate?

HENSLEY LAKE, CALIF.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the bill, H.R. 12044, reported earlier today from the Committee on Public Works, be laid before the Senate for our immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

H.R. 12044, an act designating the lake created by the Hidden Reservoir Project, Fresno River, California, as "Hensley Lake."

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

TRADE REFORM ACT OF 1974—CONFERENCE REPORT

Mr. LONG. Mr. President, I submit a report of the committee of conference on H.R. 10710, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of today.)

Mr. HELMS. Mr. President, I am highly disturbed at what has happened to my amendment to the trade bill, not because it is an amendment which I offered and persuaded the Senate to pass, but because it was an amendment which I thought would bring new hope to American families whose loved ones are separated from them in Communist countries, and who are harassed and prevented in their attempts at unification. We are coming very close now to the Season of Peace, when men of all faiths and persuasions stop and reflect upon the inner meaning of life, and the value of love and dignity. It is uniquely a time for families, for family celebrations, and family reunions. But we know there are many families in this country who will have no reunions, whose loved ones are separated by cruel barriers erected by totalitarian political systems.

We all have heard the stories. Each one is an individual case, yet each one contributes to the curtain of misery which shuts out the light of humanity and toleration. To many of us, the stories may sound alike—the tramping through miles of snow and ice on winter nights, the merciless strands of barbed wire separating families from freedom, the menacing lines of Communist troops, all on the ready to shoot at the slightest suspicion. But to the individuals these memories remain. And for the close relatives who had to be left behind in the exigencies of haste and danger, those nights of terror were a traumatic experience, one of life's watersheds after which nothing was ever the same.

We are proposing now to extend credits and credit guarantees to those same countries so that they can enjoy the benefits of our trade. Now, Mr. President, I realize that trade is supposed to be a two-way street, that profits both sides. But, in fact, the transactions with nonmarket economy countries will not be merely economic transactions. They will represent an infusion of technology and capital into countries whose creativity and development have been restrained by the heavy hand of tyranny. Western technology is absolutely essential to their future economic development. Naturally, they will pretend that they do not need

Western technology; but we know that the facts are otherwise. The technology we supply will have an impact entirely out of proportion to the economic value of such trade. It will help these nonmarket countries build an economic infrastructure that they cannot build otherwise. The leverage on their development is crucial to their future.

This leverage can be exerted exactly in the same proportion in our dealings with nonmarket countries. Since the economic exchange is secondary, we must demand some other quid pro quo. The amendment offered by the distinguished Senator from Washington (Mr. JACKSON) and by Congressman VANIK in the House, was intended to exercise this leverage, and it was admirably designed to do so. It was intended to bring about the release of victims of oppression.

As we know, the Soviets are hard bargainers. They insisted that they did not need our trade so badly that they would give up the victims of oppression. It is very strange that the administration did not insist upon this point. Trade with nonmarket countries is worthless to us unless we get some definite lifting of restraints. It is even stranger that the administration held the trade bill hostage in order to bring about this increased trade with nonmarket countries. It is my judgment that if nonmarket countries had been excluded from consideration in broadening our trade policies, we would have had a trade bill months ago, and the improved impact upon our balance of payments would already be noticeable. If economic interests were what were uppermost in the mind of the administration, they would have dropped this insistence upon increasing trade with nonmarket countries. Or, if the administration had allowed the original Jackson-Vanik language to go through, as demanded by an overwhelming majority of this body, we could have had a trade bill long ago. In my judgment, the economic benefits to be gained from increased trading with nonmarket countries are far too few to justify the price we have already paid.

The Senate is familiar with the October exchange of letters between Secretary of State Kissinger and Senator JACKSON. That exchange of letters is full of lofty language on the Secretary's part, and hopeful expressions on the part of the Senator from Washington. I might add that the Senator's hope was justified by the Secretary's statements available to the Senator at that time.

But we also know that the Secretary subsequently came before the Senate Finance Committee on December 3, and described a much flimsier arrangement with the Soviet Union, a sort of personal commitment, with no agreement whatsoever on a government-to-government basis. I put those statements in the RECORD on December 13. Moreover, the Secretary admitted that the principal concern of his talks with the Soviet Union had been increased Jewish emigration, whereas the understanding of the committee in its report of November 26 had been that any assurances from the Soviet Union or any other nonmarket country would apply to all ethnic and religious groups.

It was because of Secretary Kissinger's plain testimony that I offered my amendment to the trade bill. I was fearful that the administration would interpret section 402 loosely. When I first offered the amendment on December 10, I said:

> As a result of Secretary Kissinger's candid testimony before the Senate Finance Committee on December 3, 1974, however, it is now clear that we must reexamine title IV of the Trade Reform Act and its accompanying amendments. The understanding that now emerges is wholly contrary to that which was presented to us earlier. In response to probing questions by members of the Senate Finance Committee, Secretary Kissinger has given us a clearer, if not a new, picture of the negotiations that have taken place between American and Soviet officials regarding the issue of immigration. Now we are told that no real agreement has been reached between American and Soviet officials after all. In his statement to the committee, Secretary Kissinger frankly admitted that he would not give "any assurances concerning the precise emigration rate that may result, assuming that the trade bill is passed and MFN is extended to the USSR.

And then I went on to say:

> This testimony of Secretary Kissinger thus shows beyond all reasonable doubt, Mr. President, that we even lack assurances that Jewish emigration will be increased in the Soviet Union, let alone emigration of all other citizens of Communist countries. At best, Secretary Kissinger has offered us, as an article of faith, a vague hope that if we grant trade concessions to the Soviet Union, that the Soviet Union might be willing to increase Jewish immigration.

Because it was obvious that the Soviets were not about to agree to the spirit of the Jackson-Vanik proposal, even with the 18-month Presidential waiver, I felt that something had to be done, if only for the very close relatives of American citizens living in nonmarket countries. I thought that it was asking too much of the American people to give up valuable economic advantages and get so little—if anything at all—in return. I thought that the American people themselves should get something. I realized that we could not expect a wholesale reform of the Soviet system, not even as it pertains to emigration. But we could settle for direct benefits to American families who have relatives in nonmarket countries. My amendment was therefore drafted to constitute a new section of title IV, completely separate from section 402 with its waiver provisions. I felt that the waiver allowed the administration too much leeway for interpretation on such an important and humanitarian concern as reuniting families.

It was on this basis that my amendment was offered on December 13. As it was originally offered, it contained not only provisions to encourage emigration, but also the right to visit. The point of including visits was to lessen the burden on would-be emigres in nonmarket countries. An application for a visit would create less of a problem for them, and less suspicion. The right to visit could lead directly to increased emigration. I engaged in a colloquy with the distinguished Senator from New York (Mr. JAVITS) and agreed, out of senatorial courtesy, to lay my amendment aside while further discussions could take place, so as not to hold up the Senate. Further discussions were held off the floor, with the distinguished Senator from Washington (Mr. JACKSON), the distinguished Senator from Connecticut (Mr. RIBICOFF), and the distinguished Senator from New York (Mr. JAVITS). When my amendment was taken up again, I agreed to the modification suggested by the distinguished Senators, namely, to remove references to the right to visit. The original amendment, I should emphasize, had been previously cleared with the managers of the bill, the distinguished Senators from Louisiana and Utah, Senators LONG and BENNETT. Thus it became part of the Senate bill.

Mr. President, when the Senate approved my amendment, not even the distinguished Members of this body knew how important it was to the cause of increased immigration. For it was only 2 days ago that word came that the Soviet Minister of Foreign Affairs, Mr. Gromyko, had written to Secretary Kissinger on October 25 completely repudiating the exchange of letters between the Secretary and Senator Jackson. Not only was there no agreement, not even on Jewish emigration, but the Foreign Minister stated that even Jewish emigration was declining.

Mr. President, it is plain that Secretary Kissinger was correct when he said that there was no agreement on emigration, as I had pointed out on December 10; but it also appears that Secretary Kissinger misled the Members of this distinguished body when he implied that there would be an increase in emigration.

Mr. President, I ask unanimous consent that an article that appeared in the New York Times yesterday about the Gromyko-Kissinger exchange of letters be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. I also ask unanimous consent that the entire record of the Kissinger-Jackson letters, the Gromyko letter, and the Kissinger testimony, as it appeared in the Times yesterday, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HELMS. Mr. President, when such a lack of candor is so evident even during the preliminary negotiations, what can we expect when the authority is given to apply an 18-month waiver to nonmarket countries? The lofty goal of increased immigration can be given such a flexible and deliberate period of time for continuing assurances, but we should not put the very close relatives of American families to such a leisurely test. If we are going to trade with nonmarket countries, we want these very close relatives out, and out now.

Let me give you an example. I have in my hand a letter that was received a few days ago from Poland. It was mailed on November 29. I will not give any

names, for obvious reasons, but the letter reads as follows:

I am asking you, Honorable Sir, and I am asking you, from all my heart, if you can do this for me, please. I am asking you if, by some miracle, you could send me an invitation. I would like to go to the United States of America even if only for one hour, I am willing to work at any place in any type of work. I could work as a mechanic, or as a smith, or I would accept work as a simple laborer on a farm, because I like to work and I am not a drinker. If you could do this, I would repay you with my gratitude. Please answer my letter.

Thank you very much.

This is typical of the heart-rending appeals that relatives receive constantly. And there is nothing that they can do about it, because of the totalitarian nature of the countries they live in, and because of the insensitive bureaucracy of our own country. I received yesterday morning a letter from Assistant Secretary of State Linwood Holton, with reference to my amendment. As was made clear on the floor, my amendment was intended to cover Poland, as section 402 did not. Governor Holton writes:

Among the Warsaw Pact nations, Poland has long been among the most liberal (with regard to emigration policies).

And further:

We have been assured that the Polish government will continue to accelerate its handling of divided families' applications.

Yet this is contrasted with the letter I have just read, and with the reports I receive of the difficulties which Poles have who seek to emigrate, particularly those in the younger age groups. I realize that Governor Holton functions as a legislative liaison, and is not responsible for Department policies in this matter. His letter is simply expressive of Department policy, and it expresses that policy more accurately than I could.

Mr. President, I ask unanimous consent that Governor Holton's letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HELMS. It is clear from such correspondence, and from Secretary Kissinger's correspondence, that a procedure is necessary that is exmept from the waiver provisions of section 402. That was the intention of my amendment. That intention was clear from the drafting of it as a separate section. I thought that intention was clear to everyone. Indeed, no one ever mentioned the waiver aspect of 402 with regard to my amendment, since it was clear that it did not apply. The understanding that was reached with the managers of the bill, and with the managers of the Jackson amendment never even touched upon the question of a waiver. In none of the discussions held on the floor, or off the floor, with regard to my amendment, was the issue of the waiver ever raised. For, plainly, the waiver would render my amendment superfluous.

The Senator from North Carolina was therefore astonished to learn that later in the day, the distinguished Senator from Wisconsin (Mr. NELSON) offered an amendment that was described as a technical amendment, whose intent was to apply the waiver of section 402 to my amendment. The distinguished Senator spoke as follows:

Mr. NELSON. Mr. President, the legislative counsel advises that the waiver provision of the Jackson amendment does not, in fact, apply to the amendment offered by the distinguished Senator from North Carolina (Mr. HELMS).

Well, of course, Mr. President, the distinguished Senator was correct. The legislative counsel could not have advised in any other way, since it was perfectly plain that the Helms amendment was completely independent of the Jackson amendment, and was clearly intended to be. That was obvious to one and all from the start. My amendment was offered on December 10. A full explanation was available in the RECORD. It was a printed amendment which was on everybody's desk.

However, the distinguished Senator continued as follows:

It was everybody's intent, I am sure, that the same waiver amendment that applies to the Jackson amendment apply to the Helms amendment.

He then moved the adoption of his own amendment, and it was accepted.

Mr. President, in this statement, the distinguished Senator was misled. It was certainly never my intent that the Jackson waiver should apply to my amendment, nor did the distinguished Senator consult me, nor did he notify me so that I could appear on the floor for interrogatories if needed. Had he done so, I am sure that the matter of intent could have been cleared up. For I think that it is manifest that the distinguished Senator's amendment is not a technical amendment at all, but an amendment that exactly reverses my intent and the intent of the Senate in passing my amendment. Indeed, it negates the benefits of my amendment.

Now since the distinguished Senator from Wisconsin did not participate in the colloquies on the floor with regard to my amendment, and did not participate in any of the discussions off the floor, it is easy to understand why he may not have been fully aware of the consequences of his amendment, and why he was apparently unacquainted with the agreement which had been reached with the distinguished managers of the bill and the distinguished managers of the Jackson amendment. It is also easy to understand why the Senate itself may not have realized that it was, in fact, reversing its opinion in a few brief seconds after only two sentences of debate.

Ironically, the so-called technical amendment of the distinguished Senator was technically at fault itself, since it applied only to "section 409." While I brought up my amendment as a proposed "section 409," another amendment was passed when I laid my amendments to one side out of Senatorial courtesy, and the other was given the number "section 409." In the engrossed bill, my amendment became "section 411." I therefore urged the conference to delete the Nelson amendment entirely, since it was technically futile and contrary to the intention of the Senate in passing my amendment.

Unfortunately, it may be that the conference did not fully appreciate the extraordinary circumstances surrounding the passage of the Nelson amendment. In any case, the legislative history had been made. I therefore strongly object to the retention of the Nelson amendment in the conference report. The Senate should have an opportunity to clarify the record on this point. For if we pass the conference report as it stands, we will destroy the hopes of many hundreds of American families to be reunited with their close relatives. At Christmas time, a time of hope and peace, we will be sowing despair and gloom. Every Senator in this body will be held responsible for the actions of the conference. We should at least make it clear that the Senate had no part in dashing the expectations of American families to be reunited with the loved ones—and almost on Christmas Eve.

It is also ironic that the conference also deleted Poland and Yugoslavia from my amendment, a point I had emphasized on the floor. For section 402 deals with both the MFN and credits, while mine deals only with credits and guarantees. It has nothing to do with MFN.

After all, we know that MFN is hardly more than an honorary status. It is the credits and guarantees that count. Yet the conference excepted from my amendment nonmarket countries which already had MFN status. Certainly, my amendment could not have taken MFN away from Poland, but it could have blocked expansion of trade unless we had a quid-pro-quo on emigration. Whether it was the influence of the State Department, with their tortured acceptance of Polish emigration practices, or some other influence, I cannot say. I regret, and I am sure that most Polish-Americans regret, the deletion of this leverage over the Communist government in Poland, and I am sure that Senators will be hearing soon from their Polish constituencies if Poland is exempted from the benefits of increased emigration of relatives. It is especially difficult to explain this deletion in view of the fact that the State Department has already given assurances of satisfaction with Polish emigration practices, as indicated in the letter I have just quoted from Governor Holton. If Polish emigration practices are satisfactory, then my amendment would be no obstacle to increased trade. I should think that we would want to keep the leverage in the background.

But in any case, even if my amendment were applied to Poland, its effect will be diminished, or even wiped out, if the waiver in section 402 is applied to my amendment. Everybody loses if the waiver is kept. I do not think that we can do business, for mere monetary gain and profit, at the expense of American families who are separated from their close relatives by tyranny.

As I conclude, Mr. President, I want to emphasize that I am not resentful of the way my amendment was treated,

either in the Senate or by the conferees. I understand the give-and-take of the legislative process, and I respect it. And I can assure Senators that I submitted my amendment as a matter of conscience.

I was blessed, Mr. President, to have been born in the United States. I have no parents or children, or other relatives, living in subjugation in other lands. But I have been in contact in recent weeks, Mr. President, with people who do. I have seen the tears in their eyes. I have heard their pleas for help. And though I am a freshman Senator, with little seniority and no power, I resolved to try to help them if I could. That, Mr. President, was the genesis of my amendment. That is the only reason I submitted it.

I now recognize the odds against my being successful. But with the Christmas season approaching, I simply could not dismiss these pleas for help in order to expedite my trip home to be with my children and grandchildren around the Christmas tree.

I mean not to be pious, Mr. President, but I simply felt that I could not enjoy the approaching Christmas Day unless I made the effort to put this Congress, and this Government, on record that America does have the courage to stand up for the oppressed.

I intend no rancor, Mr. President, when I suggest that it is not the Senator from North Carolina who was harmed by the gutting of my amendment. If it was to be rejected, I wish, of course, that it could have been done on the floor of this Senate, in a frank and open way. I hope it can be said that I presented my case frankly and openly, and that I extended every courtesy to Senators who questioned the advisability of my amendment. I agreed to a modification which, as I said on the floor of this Senate, I did not desire. But I wanted to be accommodating, and I did not, and I shall never, want to deny any Senator any courtesy, nor circumvent his rights.

It is with reluctance that, in a moment, I shall move to table this conference report—not to kill it, and not even with any supposition that my motion to table will prevail. I will do so simply to give Senators one last opportunity, which will require only a little while, to insist that the conferees be called together again for the purpose of removing the waiver provision from my amendment. The conferees can do it in less than 5 minutes, and in doing so, they can say to U.S. citizens who have relatives living in oppression in other countries of the world: Yes, we will help you.

That is the issue, Mr. President—the issue of whether we will walk away from this opportunity, this duty, to oppose the continued oppression with our every means.

If my motion to table is rejected, Mr. President, I shall accept the verdict of the Senate cheerfully, in the knowledge that I did the best I could.

I thank the Senator.

EXHIBIT 1

[From the New York Times, Dec. 19, 1974]

SOVIET DENIES ANY PLEDGE TO EASE EMIGRATION CURB TO WIN U.S. TRADE BENEFIT

(By Bernard Gwertzman)

WASHINGTON, December 18.—A House-Senate conference committee agreed tonight on the final version of the trade reform bill despite a last-minute disavowal by Moscow of any deal linking trade concessions to easier emigration from the Soviet Union.

The trade concessions, in the form of lower American tariffs on Soviet products were approved for 18 months and may then be withdrawn if Soviet emigration practices are not liberalized. Both the Ford Administration and key members of Congress said earlier today that, despite today's Soviet statements, they still expected Moscow to ease its restrictions.

The Soviet statements were the latest complication in the drawn-out negotiations involving the Kremlin, the Administration and the Congress over the trade and emigration link.

The statements highlighted Secretary of State Kissinger's crucial role as a mediator seeking informal understanding from the Russians to meet Congressional demands, and formal agreements from Congress to allow the Administration to carry out a promise to give Moscow the same trade benefits as other countries received.

Left unclear was an apparent discrepancy between earlier statements by Mr. Kissinger that he had been "assured" of easier exit procedures and therefore assumed a rise in emigration, and an assertion by Foreign Minister Andrei A. Gromyko, in a letter made public today, that no "assurances" relating to emigration had been given and that the number of persons leaving the Soviet Union was officially declining.

By the end of the day, after close examination of what the Soviet Union had said, the initial concern that the trade compromise might be endangered had passed.

On Capitol Hill, where the trade bill containing provisions to liberalize trade with the Russians was making progress in a Senate-House conference committee, the mood was surprisingly relaxed. Most legislators said they regarded the statements as "face-saving" or issued for internal Soviet reasons.

"We should keep our cool," said Senator Henry M. Jackson, the author of the amendment giving the Russians trade concessions in return for liberalized emigration.

He told newsmen that he would press for approval of the trade bill by both houses this week and he noted that if the Russians did not liberalize emigration, they would lose the trade-benefits, which include nondiscriminatory tariffs and continued Export-Import Bank credits.

The State Department, initially surprised by the Moscow statements, later said that Secretary of State Kissinger stood by the letter he had sent to Senator Jackson on Oct. 18 outlining expected Soviet measures on emigration in response to trade benefits.

Tass, the Soviet news agency published this afternoon an Oct. 26 letter from Foreign Minister Andrei A. Gromyko to Mr. Kissinger that denied that any specific assurances had been given on emigration.

"The private communication from Foreign Minister Gromyko to the Secretary of Oct. 26, which was published by Tass today, does not in our view change the understandings referred to in the Secretary's letter to Senator Jackson of Oct. 18," the department said.

But it added that the Administration "has always made clear" that it had no agreement on the number of emigrants who might leave the Soviet Union.

The number of emigrants has been a controversial part of the three-way discussions held by the Soviet Union, the Administration and Congress.

Last year, the Soviet Union allowed 35,000 citizens to depart, mostly Jews for Israel. This year the number has dropped to about 25,000.

Mr. Kissinger, in an exchange of letters with Mr. Jackson, Democrat of Washington, on Oct. 18, said that because Soviet officials had assured the United States that harassment would end, "it will be our assumption" that "the rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants."

60,000 as "Benchmark"

Mr. Jackson responded that the Congress would regard a rise to 60,000 as a "benchmark" to test Soviet compliance with the admittedly unofficial understanding. Mr. Kissinger said the Administration would include that figure "among the consideration" to be applied when deciding to seek renewal of the trade benefits when the original authorization expired after 18 months.

As Mr. Gromyko made clear in his letter given to Mr. Kissinger while he was in Moscow in October, the Soviet officials were incensed by the impression conveyed that the Soviet Union had agreed to allow 60,000 to leave.

He said in the letter that in fact, he had told Mr. Kissinger there was a "tendency toward a decrease in the number of persons wishing to leave the U.S.S.R."

Mr. Kissinger did not make the Gromyko letter known at the time, although he did inform newsmen that the Soviet leaders were angered over the publicity given the Jackson-Kissinger understandings.

When he testified before the Senate Finance Committee on Dec. 3, Mr. Kissinger took note of Soviet sensibilities and said that Moscow had told the Administration "repeatedly that the Soviet Union considered the issue of emigration a matter of its own domestic legislation and practices not subject to international negotiation."

"With this as a background," Mr. Kissinger said, "I must state flatly that if I were to assert here that a formal agreement on emigration from the U.S.S.R. exists between our two governments, that statement would immediately be repudiated by the Soviet Government."

But under questioning from Senators, Mr. Kissinger said that as the result of conversations with Leonid I. Brezhnev, the Soviet leader, and Mr. Gromyko, the Administration expected the number of emigrants to rise if the number of applicants rises also.

Senator Jackson and Mr. Kissinger both assumed that the applicants would increase once the trade law went into effect. There is an assumption that about 130,000 Jews want to leave.

The negotiations surrounding the trade bill compromise have been among the most complicated ever conducted by Mr. Kissinger since he had to act in effect as a mediator between the Soviet Government and the majority of Congress that supported the Jackson amendment.

The issue goes back to October, 1972, when the Nixon Administration signed a trade agreement with the Russians by which Moscow pledged to repay its lend-lease debts of World War II and the Administration promised to seek Congressional approval to give them nondiscriminatory tariff treatment, known as most-favored-nation status.

Because of widely publicized problems encountered by Soviet Jews in seeking to emigrate, amendments were offered in both houses of Congress, proposing to hold up any trade benefits until emigration was made freer.

When the House of Representatives passed the Trade Reform Act last year, it contained an amendment linking tariffs and credits to the emigration question. The adoption of the bill in the Senate was also dependent on the emigration issue.

Mr. Kissinger earlier this year agreed to see whether a negotated formula could be achieved. Working with Senators Jackson, Jacob K. Javitz, Republican of New York, and Abraham D. Ribicoff, Democrat of Connecticut, the Secretary of State tried out different formulas.

He resisted the Senators' efforts to get the Russians to agree to an emigration quota, contending that this was unacceptable to Moscow. But Mr. Jackson persisted in the formula that produced the "benchmark" of 60,000.

Last week, the Senate finally adopted the trade bill with the so-called Jackson amendment, giving the Russians nondiscriminatory tariffs and government credits for 18 months.

Early this evening a Senate-House conference committee completed work on the first four "titles" of the five-title trade bill. Title IV is the section containing the Jackson amendment and it was approved without difficulty, underscoring the determination of the Congress to go ahead with the provisions despite the Soviet disavowals.

Senator Russell Long, chairman of the conference committee said, "I don't pay attention to what the Russians say anyway."

Mr. Jackson and Mr. Javits both said the Soviet statements were "face-saving" and did not mean the arrangement was falling apart.

Talking with newsmen, Mr. Jackson said he had been assured by President Ford that if the Russians failed to live up to the clear intent of the trade bill, the President would not hesitate to withdraw the trade benefits.

[From the New York Times, Dec. 19, 1974]

LETTER PUBLISHED: IN IT, GROMYKO TELLS KISSINGER A LINKAGE IS RULED OUT

(By Christopher S. Wren)

Moscow, December 18.—The Soviet Union denied today that it had given any specific assurances that the conditions for emigration of Soviet citizens would be eased in return for American trade concessions and credits.

The official press agency Tass asserted that "leading circles" in the Soviet Union "flatly reject as unacceptable" any attempts to attach conditions to the reduction of tariffs on imports from the Soviet Union or to otherwise "interfere in internal affairs" of the Soviet Union.

To support its contention that no understanding had been reached, Tass circulated a letter by Foreign Minister Andrei A. Gromyko that the agency said had been handed to Secretary of State Kissinger on Oct. 26. This was during the Secretary's last visit to Moscow on Oct. 23 to 27.

GROMYKO PREDICTED DECLINE

In that letter, which was dated eight days after the purported agreement had been announced in Washington by Senator Henry M. Jackson, Mr. Gromyko not only rejected the interpretation that emigration would increase, but said he had told Mr. Kissinger "quite the contrary," namely that the number of emigrants was actually declining.

The Tass statement and the letter bearing Mr. Gromyko's name caused confusion among American diplomats, who were uncertain whether the publication constituted a face-saving device or an actual declaration that Moscow would not make concessions on emigration.

While the Soviet Union has never acknowledged any understanding on emigration, American diplomats have said that its existence had not been denied by high-ranking Soviet officials in private conversation.

Tonight, one American diplomat said that the Soviet language of the denial did not entirely rule out some sort of informal understanding and that the response might be intended generally for domestic consumption. This interpretation was not shared by several more pessimistic observers.

The announcement did appear keyed to the pending Congressional vote to grant the Russians nondiscriminatory tariff treatment and government credits in return for freer Soviet emigration.

The denial may also have resulted from this week's session of the party's Central Committee, at which the emigration issue is now believed to have been discussed.

The Soviet leadership may have resolved to take the tougher line rather than let the Congressional assumptions about a compromise pass unchallenged. The move may have been spurred either by conservative pressure from within the Krelim or by official anger at the publicity the purported emigration agreement has received in the United States.

It was also possible that Moscow was moved to act by Arab criticism of the emigration of Soviet Jews and particularly Egypt's proposal earlier this week that Israel restrict further immigration.

The first official acknowledgement here that the United States presumed an understanding existed appeared tonight when both the Tass statement and Mr. Gromyko's letter were read over the popular evening news program on Soviet television. This may have been done in part to dampen hopes among Jews and others that were raised by listening to reported on the trade bill over the Voice of America.

BREZHNEV REPORTED ANGRY

When Mr. Kissinger was in Moscow in late October, Leonid I. Brezhnev, the Soviet leader, was reported to have expressed anger to the Secretary of State over publicity in the United States surrounding a purported understanding about the emigration issue.

There was no public indication at that time or during President Ford's meeting with Mr. Brezhnev in Vladivostok on Nov. 23-24 that Moscow was denying the existence of an understanding or complaining that Mr. Kissinger had misread the Soviet position, as is asserted in Mr. Gromyko's letter.

In today's denial, the Soviet Government did not explain why it had waited two months to dispute the belief that there was an arrangement, particularly since it would have to be aware of the awkward situation that the denial would force on Mr. Kissinger, a familiar negotiating partner with the Soviet leadership.

In his letter, Mr. Gromyko said the announcement of an emigration compromise created "a distorted picture of our position as well as of what we told the American side of that matter" and underscored the Krelim's conviction that "no ambiquities should remain."

The Foreign Minister conceded in his letter that discussions of the emigration issue had taken place but said that Moscow had "underlined that the question as such as entirely within the internal competence of our state."

Mr. Gromyko went on to deny the existence of any emigration quota and of any expectation that emigration would increase over previous years. The Foreign Minister said that "when we did mention figures," the point was to illustrate "the present tendency toward a decrease in the number of persons wishing to leave the U.S.S.R."

Mr. Kissinger, in his exchange of letters with Senator Jackson on Oct. 18, said "it will be our assumption that the rate of emigration would begin to rise promptly from the 1973 level" of 35,000 and "would continue to rise to correspond to the number of applicants." Senator Jackson, in a Senate speech last Friday, put the current backlog of applicants "in excess of 130,000."

In testimony before the Senate Finance Committee on Dec. 3, Mr. Kissinger said "we have every right to expect that the emigration rate will correspond to the number of applicants," and he added, "if some of the current estimates about potential applicants are correct, this should lead to an increase in emigration."

The Tass statement said the extension of trade benefits to Moscow had been expected under the summit agreement made in 1972.

OPPOSITION RECALLED

"However," Tass said, "the opponents of normalizing Soviet-American trade, and of improving Soviet-American relations in general, from the very outset began actively hampering this process" by making the extension of trade concessions "dependent on all kinds of qualifications and demands that were nothing but gross interference in the Soviet Union's internal affairs."

"This is the only way to qualify the attempts to include in the bills provisions concerning, for instance, the departure of Soviet citizens for other countries" and for "making available economic information of a purely domestic nature to American institutions," Tass said.

The latter reference seemed to be a criticism of American efforts to obtain fuller disclosures of Soviet financial assets before any large credits are extended by the Export-Import Bank.

"There is only one basis on which the Soviet-American relations in general, and commercial and economic relations in particular, can be built successfully," Tass said. "This is a full equality of the sides and noninterference in each other's internal affairs."

Aside from throwing the brightening prospects for Soviet-American trade into doubt, the official denial of any understanding on emigration was likely to be a disappointment to would-be Jewish emigrants who had built up hopes that they would be allowed to leave the Soviet Union.

EXHIBIT 2

[From the New York Times, Dec. 19, 1974]

TEXT OF LETTERS AND TESTIMONY ON THE QUESTION OF SOVIET POLICY ON EMIGRATION

Following are the texts of an exchange of letters between Secretary of State Kissinger and Senator Henry M. Jackson on Soviet trade benefits and emigration policy made public Oct. 18; a letter on the subject presented to Mr. Kissinger by Foreign Minister Andrei A. Gromyko in Moscow on Oct. 26, and excerpts from testimony on the issue by Mr. Kissinger before the Senate Finance Committee on Dec. 5.

KISSINGER'S LETTER

Dear Senator Jackson: I am writing to you, as the sponsor of the Jackson amendment, in regard to the trade bill (H.R. 10710) which is currently before the Senate and in whose early passage the Administration is deeply interested. As you know, Title IV of that bill, as it emerged from the House, is not acceptable to the Administration. At the same time, the Administration respects the objectives with regard to emigration from the U.S.S.R. that are sought by means of the stipulations in Title IV, even if it cannot accept the means employed. It respects in particular your own leadership in this field.

To advance the purposes we share both with regard to passage of the trade bill and

to emigration from the U.S.S.R. and on the basis of discussions that have been conducted with Soviet representatives, I should like on behalf of the Administration to inform you that we have been assured that the following criteria and practices will henceforth govern emigration from the U.S.S.R.

First, punitive actions against individuals seeking to emigrate from the U.S.S.R. would be violations of Soviet law and regulations and will therefore not be permitted by the Government of the U.S.S.R. In particular, this applies to various kinds of intimidation or reprisal, such as, for example, the firing of a person from his job, his demotion to tasks beneath his professional qualifications and his subjection to public or other kinds of recrimination.

No unlawful impediments

Second, no unreasonable or unlawful impediments will be placed in the way of persons desiring to make application for emigration, such as interference with travel or communications necessary to complete an application, the withholding of necessary documentation and other obstacles including kinds frequently employed in the past.

Third, applications for emigration will be processed in order of receipt, including those previously filed, and on a nondiscriminatory basis as regards the place of residence, race, religion, national origin and professional status of the applicant. Concerning professional status, we are informed that there are limitations on emigration under Soviet law in the case of individuals holding certain security clearances, but that such individuals who desire to emigrate will be informed of the date on which they may expect to become eligible for emigration.

Fourth, hardship cases will be processed sympathetically and expeditiously; persons imprisoned who, prior to imprisonment, expressed an interest in emigrating, will be given prompt consideration for emigration upon their release; and sympathetic consideration may be given to the early release of such persons.

Fifth, the collection of the so-called emigration tax on emigrants which was suspended last year will remain suspended.

Sixth, with respect to all the foregoing points, we will be in a position to bring to the attention of the Soviet leadership indications that we may have that these criteria and practices are not being applied. Our representations, which would include but not necessarily be limited to the precise matters enumerated in the foregoing points, will receive sympathetic consideration and response.

Prompt rise foreseen

Finally, it will be our assumption that with the application of the criteria, practices and procedures set forth in this letter, the rate of emigration from the U.S.S.R. would begin to rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants.

I understand that you and your associates have, in addition, certain understandings incorporated in a letter dated today respecting the foregoing criteria and practices which will henceforth govern emigration from the U.S.S.R. which you wish the President to accept as appropriate guidelines to determine whether the purposes sought through Title IV of the trade bill and further specified in our exchange of correspondence in regard to the emigration practices of nonmarket economy countries are being fulfilled. You have submitted this letter to me, and I wish to advise you on behalf of the President that the understandings in your letter will be among the considerations to be applied by the President in exercising the authority provided for in Sec.* of Title IV of the trade bill.

I believe that the contents of this letter represent a good basis, consistent with our shared purposes, for proceeding with an acceptable formulation of Title IV of the trade bill, including procedures for periodic review, so that normal trading relations may go forward for the mutual benefit of the U.S. and the U.S.S.R.

Best regards,

HENRY A. KISSINGER.

JACKSON'S REPLY

DEAR MR. SECRETARY: Thank you for your letter of October 18 which I have now had an opportunity to review. Subject to the further understanding and interpretations outlined in this letter, I agree that we have achieved a suitable basis upon which to modify Title IV by incorporating within it a provision that would enable the President to waive subsections designated (A) and (B) in Sec. 402 of Title IV as passed by the House in circumstances that would substantially promote the objectives of Title IV.

It is our understanding that the punitive actions, intimidation or reprisals that will not be permitted by the Government of the U.S.S.R. include the use of punitive conscription against persons seeking to emigrate, or members of their families; and the bringing of criminal actions against persons in circumstances that suggest a relationship between their desire to emigrate and the criminal persecution against them.

Second, we understand that among the unreasonable impediments that will no longer be placed in the way of persons seeking to emigrate is the requirement that adult applicants receive the permission of their parents or other relatives.

Third, we understand that the special regulations to be applied to persons who have had access to genuinely sensitive classified information will not constitute an unreasonable impediment to emigration. In this connection we would expect such persons to become eligible for emigration within three years of the date on which they last were exposed to sensitive and classified information.

60,000 as 'benchmark'

Fourth, we understand that the actual number of emigrants would rise promptly from the 1973 level and would continue to rise to correspond to the number of applicants, and may therefore exceed 60,000 per annum. We would consider a benchmark—a minimum standard of initial compliance—to be the issuance of visas at the rate of 60,000 per annum; and we understand that the President proposes to use the same benchmark as the minimum standard of initial compliance. Until such time as the actual number of emigrants corresponds to the number of applicants, the benchmark figure will not include categories of persons whose emigration has been the subject of discussion between Soviet officials and other European governments.

In agreeing to provide discretionary authority to waive the provisions of subsections designated (A) and (B) in Sec. 402 of Title IV as passed by the House, we share your anticipation of good faith in the implementation of the assurances contained in your letter of October 18 and the understandings conveyed by this letter. In particular, with respect to paragraphs three and four of your letter we wish it to be understood that the enumeration of types of punitive action and unreasonable impediments is not and cannot be considered comprehensive or complete, and that nothing in this exchange of correspondence shall be constructed as permitting types of punitive action or unreasonable impediments not enumerated therein.

Finally, in order adequately to verify compliance with the standard set forth in these letters, we understand that communication by telephone, telegraph and post will be permitted.

Sincerely yours,

HENRY M. JACKSON,
U.S.S.

GROMYKO'S LETTER

DEAR MR. SECRETARY OF STATE: I believe it necessary to draw your attention to the question concerning the publication in the United States of materials of which you are aware and which touch upon the departure from the Soviet Union of a certain category of Soviet citizens.

I must say straightforwardly that the above-mentioned materials, including the correspondence between you and Senator Jackson, create a distorted picture of our position as well as of what we told the American side on that matter.

When clarifying the actual state of affairs in response to your requests we underlined that the question as such is entirely within the internal competence of our state. We warned at the time that in this matter we had acted and shall act in strict conformity with our present legislation on that score.

But now silence is being kept precisely about this. At the same time, attempts are being made to ascribe to the elucidations that were furnished by us the nature of some assurances and, nearly, obligations on our part regarding the procedure of the departure of Soviet citizens from the U.S.S.R., and even some figures are being quoted as to the supposed number of such citizens, and there is talk about an anticipated increase of that number as compared with previous years.

We resolutely decline such an interpretation. What we said, and you, Mr. Secretary of State, know this well, concerned only and exclusively the real situation in the given question. And when we did mention figures—to inform you of the real situation—the point was quite the contrary, namely about the present tendency toward a decrease in the number of persons wishing to leave the U.S.S.R. and seek permanent residence in other countries.

We believe it important that in this entire matter, considering its principled significance, no ambiguities should remain as regards the position of the Soviet Union.

A. GROMYKO,
Minister of Foreign Affairs of the U.S.S.R.

KISSINGER'S TESTIMONY

We recognized that if our Government was to be equipped with the necessary means for conducting an effective foreign policy, it would be necessary to deal with the emigration issue in the trade bill. As I stated in my previous testimony before the committee, we regard mutually beneficial economic contact with the U.S.S.R. as an important element in our over-all effort to develop incentives for responsible and restrained international conduct.

I, therefore, remained in close contact with leaders of the Congress in an effort to find a means of reconciling the different points of view. I remember that I was urged to do so by several members of the committee when I testified before you on March 7 of this year. Shortly afterwards I began meeting regularly with Senators Jackson, Ribicoff and Javits to see whether a compromise was possible on the basis of assurances that did not reflect formal governmental commitments

* Statutory language authorizing the President to waive the restrictions in Title IV of the trade bill under certain conditions will be added as a new (and as yet undesignated) subsection.

but nevertheless met widespread humanitarian concerns.

We had, as you know, been told repeatedly that the Soviet Union considered the issue of emigration a matter of its own domestic legislation and practices not subject to international negotiation. With this as a background, I must state flatly that if I were to assert here that a formal agreement on emigration from the U.S.S.R. exists between our Governments, that statement would immediately be repudiated by the Soviet Government

In early April the three Senators agreed to an approach in which I would attempt to obtain clarifications of Soviet domestic practices from Soviet leaders. These explanations could then be transmitted to them in the form of a letter behind which our Government would stand.

My point of departure was statements by General Secretary Brezhnev during his visit to the United States in 1973 to both our executive and members of Congress to the effect that Soviet domestic law and practice placed no obstacles in the way of emigration. In conversations with Foreign Minister Gromyko in Geneva in April, in Cyprus in May and in Moscow in July, we sought to clarify Soviet emigration practices and Soviet intentions with respect to them. It was in these discussions that information was obtained which subsequently formed the basis of the correspondence with Senator Jackson, with which you are familiar.

In particular, we were assured that Soviet law and practice placed no unreasonable impediments in the way of persons wishing to apply for emigration; that all who wished to emigrate would be permitted to do so except for those holding security clearances; that there would be no harassment or punishment of those who applied for emigration; that there would be no discriminatory criteria applied to applicants for emigration and that the so-called emigration tax, which was suspended in 1973, would remain suspended.

It was consistently made clear to us that Soviet explanations applied to the definition of criteria and did not represent a commitment as to numbers. If any number was used in regard to Soviet emigration, this would be wholly our responsibility. That is, the Soviet Government could not be held accountable for or bound by any such figure. This point has been consistently made clear to members of Congress with whom we have dealt.

Finally, the discussions with Soviet leaders indicated that we would have an opportunity to raise informally with Soviet authorities any indication we might have that emigration was in fact being interfered with or that applicants for emigration were being subjected to harassment or punitive action.

The points I have just cited have always been the basis for my contacts with Senators Jackson, Javits and Ribicoff. I may add that these points have been reiterated to us by Soviet leaders on several occasions, including in President Ford's initial contacts with Soviet representatives and most recently at Vladivostok.

All these clarifications were conveyed to the three Senators and eventually led to the drafting of the exchange of correspondence published by Senator Jackson on Oct. 18. The process took much time, however, because of the Administration's concern that there be no misleading inference—specifically that there be no claim to commitments either in form or substance, which in fact had not been made.

Within a week of being sworn in President Ford took a direct and personal interest in settling the issues yet outstanding. He met or had direct contact with the three Senators—as well as with you, Mr. Chairman—on several occasions. He discussed the subject with leading Soviet officials. These contacts and conversations eventually resulted in the drafting of two letters: one from me to Senator Jackson and one from the Senator to me. The first of these letters contains the sum total of the assurances which the Administration felt in a position to make on the basis of discussions with Soviet representatives. The second letter contained certain interpretations and elaborations by Senator Jackson which were never stated to us by Soviet officials. They will, however, as my letter to Senator Jackson indicated, be among the considerations which the President will apply in judging Soviet performance when he makes his determination on whether to continue the measures provided for in the trade bill, i.e., extension of governmental credit facilities and of most-favored-nation treatment. We recognize of course that these same points may be applied by the Congress in reaching its own decisions under the procedures to be provided in the trade bill.

A SET OF PROCEDURES

With the exchange of correspondence agreed, it became possible to work out a set of procedures—which, I understand, has now been offered as Senate amendment 2000—whereby the President will be authorized to waive the provisions of the original Jackson-Vanik amendment and to proceed with the granting of M.F.N. and Eximbank facilities for at least an initial period of 18 months. These procedures will also provide for means whereby the initial grants can be continued for additional one-year periods.

Thus, Mr. Chairman, I believe a satisfactory compromise was achieved on an unprecedented and extraordinarily sensitive set of issues. I cannot give you any assurance concerning the precise emigration rate that may result, assuming that the trade bill is passed and M.F.N. is extended to the U.S.S.R. As I noted earlier, it is difficult to know fully the causes of past changes in Soviet emigration rates. However, I do believe that we have every right to expect, as my letter to Senator Jackson said, that the emigration rate will correspond to the number of applicants and that there will be no interference with applications. If some of the current estimates about potential applicants are correct, this should lead to an increase in emigration.

I believe it is now essential to let the provisions and understandings of the compromise proceed in practice. I am convinced that additional public commentary, or continued claims that this or that protagonist has won, can only jeopardize the results we all seek. We should not delude ourselves that the commercial measures to be authorized by the trade bill will lead a powerful state like the Soviet Union to be indifferent to constant and demonstrative efforts to picture it as yielding in the face of external pressures; nor can we expect extended debates of domestic Soviet practices by responsible U.S. Public figures and officials to remain indefinitely without reaction. We should keep in mind that the ultimate victims of such claims will be those whom all of us are trying to help.

Therefore, I respectfully ask that your questions take account of the sensitivity of the issues. There will be ample opportunity to test in practice what has been set down on paper and to debate these matters again when the time for stock-taking foreseen in the legislation has come.

[Translation of letter, written by K. A. in Szczeczyl, Poland, on November 29, 1974]

DEAR ———: I am asking you, Honorable Sir, and I am asking you, from all my heart, if you can do this for me, please. I am asking you, if by some miracle, you could send me an invitation. I would like to go the United States of America, even if only for one hour. I am willing to work at any place in any type of work. I could work as a mechanic, or as a smith, or I would accept work as a simple laborer on a farm, because I like to work and I am not a drinker. If you could do this, I would repay you with my gratitude. Please answer to my letter.

Thank you very much.

EXHIBIT 3

ASSISTANT SECRETARY OF STATE,
Washington, December 19, 1974.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR JESSE: I am writing to you about your amendment to the trade bill which would encourage the reunification of divided families. We were pleased to know of your concern for this problem and I want to assure you that the Department shares your interest. We have worked very hard on this question for several years and I believe we have had significant results.

We have been concerned, though, that provisions of your amendment might complicate prospects for rapid early reunification of divided families. The Jackson-Vanik amendment, as you know, also covers this aspect of emigration, and the Secretary, in his exchange of letters with Senator Jackson, stated that we have been assured that emigration applications will be processed on a non-discriminatory basis as regards the place of birth, religion, national origin, and professional status. The Secretary noted, too, that hardship cases will be processed with particular sympathy.

As you know, the specific question of reunification of divided families has been one of the main points of negotiation at the European Security Conference. While the Conference has not yet concluded its work, important concessions have been made on this question and we are confident that the final agreement will include these concessions and represent marked progress in this humanitarian cause.

As you pointed out on the Senate floor, your amendment, in contrast to the Jackson-Vanik amendment, applies to Poland and could even apply to Yugoslavia. We do not believe this addition is necessary. There are few countries in the world with freer emigration policies than Yugoslavia and among the Warsaw Pact nations, Poland has long been among the most liberal. While we have not always been pleased with the dispatch with which divided family cases have been handled, the Polish government has consistently permitted emigration and our relations with them on this subject have been satisfactory. The question of divided families was discussed during the recent visit to the United States of Polish First Secretary Gierek, and we were assured that his government will continue to give high priority to this sensitive subject.

As a result of your special concern for Poland, as expressed in your amendment, the Department again reviewed this question and discussed emigration policies with Polish officials. We have been reassured that the Polish government will continue to accelerate its handling of divided families applications. And, in view of your interest in this question, I have assured that your staff will be kept advised on developments in this matter. At the moment, there are less than 250 cases in process and the average elapsed time between application for an exit visa and actual emigration is six months.

I feel that the objective both you and the Department seek, the reunification of divided families, is best served by what we understand to be a slightly modified version of your amendment which the conferees have adopted. I want to reemphasize to you our appreciation of your sincere interest in this question and the contribution your revised amendment will provide to focusing attention on this humanitarian objective.

Cordially,

LINWOOD HOLTON.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HELMS. I am glad to yield.

Mr. CURTIS. Mr. President, I commend the distinguished Senator from North Carolina for the fight he has made in presenting an amendment to this trade bill and getting it through the Senate in the first instance. I regret that the conferees did not choose to leave it totally intact.

The Senator from North Carolina has spoken out for the cause of human liberty and the rights of individuals to be in touch and visit and communicate and travel, to meet their loved ones, members of their family. This is one of the basic freedoms of man.

It occurs to me that, as a Nation, we cannot right every wrong in the world; we cannot go to war every time a wrong is committed. But there is one thing we can do: we can make sure that all the positions we take, all the pronouncements, all the resolutions, and all the enactments of our legislative bodies are true to the fundamental principle of human liberty. We should never, in the interests of trade or any other cause, deviate from standing foursquare for human rights and human liberty.

I commend the Senator for what he has done. I know something about the particular circumstances that brought about the filing of the amendment by the distinguished Senator from North Carolina. It is just one of perhaps many cases.

Presented before the Committee on Finance was the story of a family, all of whom had escaped from the tyranny of communism except one small boy who is now, I think, about 16 years of age.

I regret that the Senator's amendment was not agreed to and preserved just as he offered it. But I do hope that those in charge of our foreign affairs see to it that this case is solved, not with pious reports but with the actual performance of getting that family together.

I regret that, in the interest of trade or anything else, we have deviated from a firm, foursquare position in favor of human liberty and individual rights.

I commend the Senator.

Mr. HELMS. Mr. President, I thank the distinguished Senator for his comments.

The truth of the matter is that the distinguished Senator from Nebraska (Mr. CURTIS) was responsible for my attention being drawn to the precise case that led to this amendment. I am grateful to him for that and for his comments.

Mr. LONG. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. I am delighted to yield.

Mr. LONG. Mr. President, I suppose that in the conferences on the trade bill and the social services bill, although the overall settlement was more favorable to the Senate position than almost any conference in which I have participated in my 26 years here, the amendments offered by the Senator from Louisiana and agreed to by the Senate suffered the worst fate. Those that I was most interested in were disagreed to, even though I nevertheless feel that they were some of the best amendments, coming from some of the finest minds, ever generated by the Senate, and only the Almighty could convince me otherwise. Yet some of my favorite amendments were not agreed to.

I know how one can be disappointed that one is not able to prevail upon the other body to accept the full intent of what the Senator is seeking to accomplish. I believe that the Senator will find that his amendment will do a lot of good that he sought to legislate. It is going to put pressure on the Eastern European countries, with the exception of Poland and Yugoslavia, to let the children and relatives of those Americans join their families in this country.

In addition to that, we would have liked to be able to achieve the same thing for Poland and Yugoslavia. We were informed, Mr. President, that if we succeeded in keeping Poland and Yugoslavia in, there just was not going to be a trade bill, because some House Members of Polish or Yugoslavian descent felt that to do so, those nations would not receive most-favored-nation treatment and would not be trading with us, and, under the circumstances, they would not want the trade bill.

We did the best we could, and I am sure that the Senator will agree that we did the best we could. For example, the Senator has told us of a case, I believe involving the son of one of the Hungarian freedom fighters. That man, I am confident, as a result of the Helms amendment, will be united with his family in this country. I have personally written to Secretary Kissinger about this case and I ask that my letter appear in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 5, 1974.

Hon. HENRY A. KISSINGER,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: On April 5, Mr. Szabolcs Mesterhazy, appeared before the Committee on Finance and presented us with a courageous and stirring statement concerning his efforts to be reunited with his son currently living in Hungary. Mr. Mesterhazy and his family, except for his then 12 year old son, escaped from Hungary in 1956. Since that time, the Government of Hungary has refused to permit the remaining son to emigrated from Hungary in order that he may be reunited with his family here in the United States.

Mr. Mesterhazy has apparently asked the State Department to intercede with the Hungarian Government on the behalf of his son. Such efforts have as yet been unsuccessful. I am writing you today on behalf of the Senate Finance Committee to ask you to take any steps feasible to intercede with the Government of Hungary in an attempt to obtain the right to emigrate for his son. Any efforts that you can undertake on behalf of Mr. Mesterhazy's son would be greatly appreciated.

I would like to be informed on the attitude of the Hungarian Government on this matter before we go into executive session on the Trade Reform Act legislation.

With very good wish, I am

Sincerely,

RUSSELL B. LONG,
Chairman.

Mr. LONG. I think, with regard to nations like Romania, Bulgaria, Hungary, Czechoslovakia, and a number of others, the amendment will achieve most of what the Senator hopes for it. I would sincerely hope the State Department would make it very clear to the Hungarian Government of the concern we all have about this case.

So while I know he is disappointed that we were not able to achieve everything he sought to do, I believe he will find that we achieved most of it, and that is all we ever expect to do around this body. And the Senator knows that under the conference agreement the bilateral trade agreements negotiated with Communist countries must be submitted to Congress for approval. So we will have an opportunity to see what progress has been made on meeting these common concerns before extending most-favored-nation treatment to those countries.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Louisiana. I hasten to say that he has been most cooperative. He will recall that as manager of the bill, he agreed to accept my amendment as originally proposed. I have no criticism whatsoever of the distinguished Senator from Louisiana. As a matter of fact, I am entirely grateful to him and I owe him great admiration for his understanding of the legislative process.

Mr. ROBERT BYRD. Mr. President, I am told by a Senator that he will request the yeas and nays on the passage of this conference report. The distinguished Senator from North Carolina has stated that he will move to table the conference report. Consequently, there may be at least, I assume—is the Senator going to ask for the yeas and nays on his motion?

Mr. HELMS. I will say to the distinguished Senator if there were not going to be a yea-and-nay vote on final passage, I would probably be helpful to the Senate by accepting a voice vote. But if he is going to have a yea-and-nay vote anyway, I would like to have the yeas and nays on my motion to table.

Mr. ROBERT C. BYRD. There is at least one, possibly there are two rollcall votes. Several Senators need to catch planes because of reservations they have made anticipating, on the basis of our statements last evening, that we would try to adjourn sine die by 3 o'clock today. It might be possible for us to get a time agreement on this conference report. The distinguished manager of the conference report has indicated his willingness to enter into such an agreement and the distinguished Senator from New York has indicated his willingness to enter into such an agreement.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on this conference report be limited to 5 minutes for Mr. LONG, 5 minutes for Mr. JAVITS—Senator HARTKE, does the Senator need some time?

Mr. HARTKE. I will probably not need more than 10 minutes.

Mr. ROBERT C. BYRD. All right, not to exceed 10 minutes for Mr. HARTKE.

Mr. JAVITS. Mr. President, I would suggest that we have a few minutes for whoever shows up.

Mr. ROBERT C. BYRD. An additional 10 minutes to be equally divided between Mr. LONG and Mr. BENNETT, if we could have that ordered?

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent if there is going to be a tabling motion—and I think there will be, and it will be a rollcall vote—the two votes be back to back, first the vote on the motion to table, and then the vote on final passage, and both rollcall votes be 10-minute calls because the respective cloakrooms have ample time to inform the Senators.

Mr. BENNETT. Mr. President, reserving the right to object, I wonder if the agreement could be restated because it became a little complicated.

Mr. ROBERT C. BYRD. The unanimous-consent agreement is as follows: Mr. LONG, the manager of the conference report, have 10 minutes—I first said 5 and added 5—10 minutes; the distinguished Senator from Utah, 5 minutes; the distinguished Senator from Indiana not to exceed 10 minutes; the distinguished Senator from New York, 5 minutes.

I ask unanimous consent, Mr. President, that Mr. MONDALE have 5 minutes; Mr. CHILES have 5 minutes; and Mr. DOLE, 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. May we get going.

Two minutes to Mr. GRAVEL. I hope no Senator misses his plane.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. Jim Lucier be accorded the privileges of the floor during the vote.

The PRESIDING OFFICER (Mr. MCCLURE). Without objection, it is so ordered. The Senator from North Carolina.

Mr. HELMS. Mr. President, I will advise the distinguished majority whip that since he has had additional requests for time, I will not ask for the yeas and nays on my motion to table. I will accept a voice vote. That will give him more time to play with.

Mr. ROBERT C. BYRD. The distinguished Senator is most generous, and always most cooperative and in the future I hope some of us will remember this. In some future time, I will myself.

Mr. LONG. Mr. President, I yield myself time.

Mr. President, I will submit most of the statement that I have prepared on this subject, the Senators are, by now, I believe, aware of what is in this conference report.

Mr. President, from the point of view of the Senate, this was an extremely successful conference.

The House accepted many of the Senate amendments in whole or in part, most of them in whole. It is a tribute to their fairness. If they thought we were right they were willing to accept the amendments without trying to bargain.

Mr. President, in my judgment, it would be a mistake to ask for further conference on this matter because I do not think there has been a case in the consideration of a major piece of legislation when the House has been as considerate of the Senate position as it has on this bill. They accepted our amendments because they had merit.

So that I hope very much, Mr. President, this conference report will be agreed to.

I wish to thank my fellow conferees for the very diligent work they did in this conference. We worked many long hours and they were most cooperative—Messrs. TALMADGE, RIBICOFF, MONDALE, BENNETT, FANNIN, and HANSEN.

I am also very appreciate, Mr. President, to Mr. ULLMAN, Mr. BURKE, Mrs. GRIFFITHS, Messrs. ROSTENKOWSKI, SCHNEEBELI, CONABLE, and PETTIS, for the thoughtful consideration and cooperation that they gave in meeting on this matter.

Mr. President, I am particularly grateful to Mr. Robert Best, of our staff, our chief economist for the Committee on Finance, as well as Richard Rivers, Mark Sandstrom, and Michael Rowny, for the very fine work they did in helping the Senate committee and the Senate to put together its proposals.

Also Mr. Littell and Bob Cassidy for their fine work, as the key legal minds who have to translate the decisions into legislative language.

Mr. President, the House and Senate conferees met for two long days on this bill, and I am proud to say that they held substantially to the Senate version of the bill.

With regard to tariff authority, the compromise provides that on rates of duty of 5 percent ad valorem or less, the President has the authority to eliminate the duty; on rates over 5 percent he has authority to cut duties by 60 percent. This formula is very similar to the one contained in the Senate bill.

On the question of nontariff barriers, the Senate maintained its position that all trade agreements must be approved by both Houses of Congress—we have Senator TALMADGE of Georgia to thank for being the author of this amendment and for being its proponent in conference.

The basic negotiating objectives of forging new nondiscriminatory trading relationships were retained.

The McIntyre-Kennedy amendment authorizing the President to enter into international agreements within the GATT was retained.

The Senate maintained its position on requiring reciprocal nondiscriminatory trade in the future; this will insure that the United States receives fair compensation on trade concessions from all of our trading partners.

The procedures outlined in the Senate bill with regard to approval or disapproval of trade agreements were retained.

I am happy to say that the amendments offered by Senator TAFT on including small business interests and Senator RIBICOFF's amendment on including retailers in the advisory boards were adopted.

However, the House was adamant about deleting the Taft amendment requiring the reporting of the effects on employment and the consumer of import relief. Likewise, the House objected to the Church amendment involving employment impact and information on the operations of multinational corporations. Other Senate conferees will attest that we discussed this amendment in length, but the House was unanimous in refusing to yield on the matter.

The conferees agreed to the Senate provision elevating the Office of the Special Trade Representative. I might say at this point that Mr. Eberle never sought the provision in this section which would bestow prestige upon his office and those of his deputies, but it has been my idea that this office will be so important in these trade negotiations that the job ought to be given the stature it deserves. Mr. Eberle vigorously opposed it because the administration has taken a position against it. I would be very sorry to see internal bickering within the administration on this matter, because the Congress has expressed its will without pressure or suggestion by the Executive.

The conferees maintained the thrust of the Senate bill with respect to insuring the independence of the U.S. Tariff Commission. We compromised upon a six-member Commission with 9-year terms and maintained every other Senate provision in this section.

The conferees agreed with the basics of the Senate provision providing adjustment assistance to workers and firms. The basic thrust of the community adjustment assistance was agreed to by the House with certain changes in the revenue sharing and loan guarantee aspects of the program.

The Senate amendments strengthening the U.S. statutes dealing with unfair trade practices in title III were kept virtually in their entirety. With respect to the escape clause, the President must provide import relief in cases of injury, and the Congress maintains an override if he does not. Together with strong countervailing and antidumping procedures, the conferees retained the comprehensive Senate measures on unfair import practices.

I was gratified that the conferees maintained the Senate provisions in title IV on free emigration and on trading relationships with the nonmarket countries, in the face of a critical news release from the Kremlin. The conferees were unanimous in reasserting their position that freer emigration must precede freer trade. Although the House conferees objected to the Domenici floor amendment on agricultural commodities and the Helms amendment on emigration, we fought to maintain the basic purposes of these amendments either in the bill or strong language in the statement of managers. We did not succeed in allowing our claimants their day in court on the subject of the Czechoslovakian gold that we hold, but we have ordered the State Department to go out and negotiate a better agreement, before

this country will grant most-favored-nation treatment or further credits to Czechoslovakia. And the gold will stay here under our control until such agreement is negotiated.

The conferees also substantially adopted the Senate floor amendment calling for a body within the executive branch to oversee trade with Communist countries. This body will review all large transactions involving the transfer of technology and the granting of credits, and report to the Congress on how those transactions will affect the national security.

In the generalized system of preferences, the conferees retained the Senate's goal of requiring those who get preferential treatment in our markets to conduct their trade policies in a fair and equitable manner. This will prevent the United States from exposing our markets to countries who act to hurt us and the rest of the world in international trade by forming cartels, by drastically raising prices, or by denying us access to supplies. The conferees also accepted the Pastore-Humphrey floor amendment protecting our import-sensitive products from injury.

Finally, the House accepted all of the Senate's general provisions in title VI, including Senator BYRD's floor amendment limiting credits to Communist countries to $300 million without congressional approval

I would again like to take this opportunity to extend the thanks of the Senate Finance Committee to those members of the staff without whom this trade bill would have been a very difficult task. Mr. Robert A. Best, chief economist, of the committee, worked arduously for many months, devoting his energies and talents to this long and often complex legislation. He and the other able trade staff members, Richard Rivers, Mark Sandstrom, and Michael Rowny, spent the better part of a year putting together extensive hearings, a long well-written report, and a bill which meets with the Senate's hearty approval. Harry L. Hill and Bob Cassidy did yoeman work on drafting the legislative language. I speak for all the members of the committee in thanking them for their steadfast and diligent efforts. Tom Vail, the late former chief counsel of the committee, is ultimately responsible for developing this fine staff. In a real sense this bill is a legacy to Tom.

Mr. President, I believe the conferees have approved a bill which is very close to the bill the Senate approved with such a large majority. I hope we will be able to act on it without delay

Mr. JAVITS. Mr. President, I yield myself the time allocated.

Mr. President, I think that in this body we do so many critically important things that we often fail to note really historic landmarks, and this is one.

We have struggled with trade for many reasons, including basic economic policy of the United States, a major change of policy by the great trade unions of the country, which will certainly have to be listened to, and whose views represent millions of working people, the great feeling of vexation in foreign policy of which trade and foreign economic policy are a part, the great damage to the international monetary system, strains of most unbelievable kind over oil and energy and the shortages which have been generated, and the dangers of bankrupting the world through increased prices.

In the face of all this, for such a great historic achievement to have been recorded is really a triumph of our society and a triumph of constitutional Government. I hope very much, Mr. President, it will be noted and will be noted throughout the world.

We are lucky that only around 8 percent of our gross national product hinges on international trade, but there are nations to whom it is life or death, like Great Britain, which is going through terrible travail, and Japan, also going through a very anxious economic period, along with Germany and others.

When Chancellor Helmut Schmitt was here the other day, he told the Foreign Relations Committee that the single most important thing to help this dangerously situated world would be for the United States to enact the trade bill—the single most important thing—and here it is on the very last day of our session.

I think it is really a day for feeling very good about our country and, as I say, the triumph of our constitutional system.

In the name of my constituents, 18.5 million of them, I would like to thank Senator LONG and his colleagues, and Senator BENNETT and his colleagues, for having brought the matter to the present state.

One last thing, I am deeply sympathetic with what Senator HELMS said, I think quite unwittingly, in his original amendment, that he might have caught a lot more than he had any intention of catching.

But his intentions were very honorable, considering Poland and the problems of people there who also wish to emigrate. I for one will do my utmost as a member of the Foreign Relations Committee, and otherwise, to see if his fundamental objectives can be met. Whatever may have happened to his amendment in the trade bill for reasons which Senator LONG has said.

Also, Mr. President, I feel that the explanations made respecting why we have not been dismayed by the statement of Mr. Gromyko, the Foreign Minister of the Soviet Union, respecting the agreement entered into by Senator JACKSON, Senator RIBICOFF, and myself with Dr. Kissinger and the President, is also a tribute to the stability and intelligence of the U.S. Senate and the U.S. House of Representatives.

There is no reason for changing our course and we have not been dismayed.

Finally, Mr. President, I would like to ask the following question of Senator LONG.

Senator LONG, is it correct that actions taken under the provisions of section 204 of the Agricultural Assistance Act of 1956 are in no way affected by the provisions of the bill currently under consideration, the trade bill?

Mr. LONG. That is correct, absolutely correct.

Mr. JAVITS. I thank my colleague very much.

Mr. LONG. Mr. President, I would like to make one additional point.

The PRESIDING OFFICER. The Senator from Louisiana is recognized on his own time.

Mr. LONG. Yes, sir.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. LONG. Mr. President, I yield myself a minute.

Mr. President, in the conference we found it necessary to yield with regard to an amendment authorizing a suit to be filed in the court of the District of Columbia with regard to the Czechoslovakian gold.

I believe it should be made clear that the fact that that amendment was not included neither confers jurisdiction upon some court nor denies jurisdiction to some court. It leaves the law exactly where we found it.

The conference's deletion of the Gravel amendment which sought to confirm that the U.S. District Court in Washington has jurisdiction to determine what actions the U.S. Government may take to utilize the Czechoslovakia gold it physically holds or controls to pay the outstanding awards against Czechoslovakia in the event that country continues to fail to make a fair settlement, was not intended to deprive the court of any jurisdiction it already possesses to make such determinations.

The district court has full jurisdiction over the Federal officials and agencies which hold or control the gold, particularly that portion physically located here in the United States, and it certainly has the power to direct those officials or agencies to take whatever actions are available at law to protect our citizens' valid interests if Czechoslovakia simply continues to refuse fairly to compensate them for their expropriation losses.

The PRESIDING OFFICER. The Senator's time is expired.

Mr. LONG. Mr. President, I yield myself time.

If these claimants had a right to go to court, they still do. If they did not have it, then nothing in this bill gives it to them.

Mr. GRAVEL. Mr. President, I would like to take my 2 minutes.

I want to thank the chairman for that clarification since it might have cast a cloud upon the rights of the individuals in question.

I would also like to ask the chairman and at the same time voice my views for the benefit of the State Department, which I know is in attendance, and that is, when they go back and negotiate for a fair settlement, that they observe the definition of what a fair settlement is, and that is going to be $64 million, which is the principal amount that is due the Americans that have had that property taken, and as long as I am on the committee and Member of this body, any agreement that comes back—they can

dicker over the interest, which they should, and we should get some interest, but if the State Department does not come back with the minimum of the principal when we have this gold, then I, for one, and I am sure others will join me, intend to make a major point of this issue of granting any rights to Czechoslovakia until this matter is attended.

I would hope that I could hear an expression from the chairman in that regard.

Mr. LONG. Mr. President, I stand with the Senator on that. He can be sure that as far as the Senator from Louisiana is concerned, if they try to get back that gold before settlement has been made on the claims of Americans who lost their property in Czechoslovakia, if I may use an expression that I have used before, we will fight them until hell freezes over, and then we will fight them on the ice, if they try to get that money, that gold, when they owe that money to American citizens.

When the State Department proceeds to renegotiate a new claims settlement agreement with Czechoslovakia, it should bear in mind that a "good agreement" or a "fair agreement" should provide at least payment of the principal amount Czechoslovakia has owned our citizens for almost 30 years—$64 million. The gold our Government holds as security for the payment of these awards is valued at approximately $125 million on today's market, so it alone provides ample means for the kind of settlement Congress would readily approve.

Mr. GRAVEL. I think this should suffice to some degree on instructions to the State Department.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. HARTKE. Mr. President, I want to talk about the Unemployment Act of 1974. My views are well known by this time. I will not occupy the time of this body with a lengthy restatement of those views. But, I would feel remiss if I did not take this opportunity to at least briefly reiterate my position.

First, I would like to congratulate Senator LONG and the Senate Finance Committee on their handling of the trade bill. The fact that the trade bill has reached this point in the legislative process and that it has been greatly expedited at a late hour in this session is strong testimony to the dedication and professionalism of its proponents who have worked so hard.

I would like to pay special tribute to Bob Best, who has done such an outstanding job on this measure. He has been extremely fair to every individual without regard to their position on any matter in this bill.

However, I believe the Finance Committee has unintentionally led us astray.

This bill began as the Trade Reform Act of 1973. It later became the Trade Reform Act of 1974. Just last week the title of the bill was amended to merely the "Trade Act of 1974" because the floor manager of the bill did not wish the title of the bill to imply the measure was "necessarily good" or "a change for the better." While I wholeheartedly share with Senator LONG his concern for the quality of the bill, I would offer an even more appropriate title, "The Unemployment Act of 1974." This is a more appropriate title, because unemployment, is exactly what the effect of this bill will be. The report of the Finance Committee on the trade bill estimates the unemployment which will result from the bill at 100,000 persons. In fact, this may prove extremely conservative. It will surely prove extremely foolish at a time when our unemployment rate is 6½ percent and rising.

Mr. President, 6 million people are unemployed in the United States. My good friend Leonard Woodcock, president of the United Auto Workers, has predicted that unemployment in the auto industry alone will reach 1 million workers by next March. The unemployment compensation roles increased by 550,000 last month to 3 million. Most economists now predict U.S. unemployment will rise to 7½ percent. There is only one other time since World War II, during the depths of the 1957-58 recession, that our unemployment rate has been so high. This trade bill will only make the problem worse. How can the Congress pass an emergency $6.5 billion measure to create jobs and extend unemployment compensation on one day, and on the next day pass a trade bill which its sponsors admit will cause the unemployment of an additional 100,000 working men and women?

This is not a trade bill for the 1970's but a warmed-over version of our give-away trade policies of the 1960's. Such trade policies will no longer work in a world which is simultaneously experiencing severe inflation and crippling recession. Such trade policies no longer are prudent for the United States which is experiencing a sizable balance-of-trade deficit and considerable trade-related unemployment.

Mr. President, it is time we base our trade policies on the realities of the present rather than the fictions of the past. The rest of the world has grown up and our trading partners have now assumed the role of equal partners and equal competitors. Our failure to recognize this fact has led to deteriorating U.S. performance in the world market, a declining U.S. trade balance, and an outflow of American capital and American jobs.

The U.S. balance of payments deficit was $1.1 billion for the 3 months ending in September. This is the second largest quarterly deficit in our history. Our deficit for the first three quarters of 1974 now stands at $4.26 billion. The U.S. deficit for a similar period in 1973 was only $300 million, and yet we ended the year with a deficit of over $1 billion. It is time we awaken to these stark realities and tailor our trading policies to the economics of the 1970's, rather than the altriusm of the 1960's.

The new direction needed in the field of foreign trade is most remarkably demonstrated by the recent balance of payments problem—with record deficits. One contributing factor, new to the crisis scenery, is the soaring cost of imported oil. Yet the bill before us fails totally, to even consider the short-term or long-term implications of the cost of this foreign source, domestically owned, resource material. The new giant multinational oil companies continue to bring the economies of the industrialized world to the very brink of bankruptcy. The threats of oil producers is being answered by the threats of oil consumers.

The inflation is fueled by the increase in fuel prices. Consideration of elimination of tax subsidies to the multinational oil companies was denied by the procedure adopted by the Senate. But even beyond the tax subsidy question, is the failure of this bill to recognize that it is a whole new ball game in this area alone.

The trade bill should do justice to the promotion of new and better ideas of trade.

The Senate has a responsibility to state clearly what this country stands for—not what it has been: We should state where we are going as a Nation—how we plan to get there and why we should get there. The trade bill should have called for a nation that sees the portent of time and the will of the people. The trade bill should face the economic, social, political and moral issues of our time, and not worship at the altar of worn out slogans—like "free trade."

The trade bill should have been a clear alternative to the failure policy which we have followed since 1962. We should not give our country more of the dismal sameness which leads to greater unemployment, failing businesses and exploitation of people in other countries.

The tide of imports and tax subsidy to multinational corporations must be stemmed. We must restate our goals and aspirations which made this melting pot the location of the highest standard of living in the world and at the same time the best sanctuary of the downtrodden, neglected and depressed.

Yet, we see our Nation losing its spirit and its jobs—its pride and its factories—its humility and its confidence.

The trade bill is—at best—a surrender of America and her people.

It is not my intention by these remarks to seek consensus or compliance. I seek to challenge the Senate to meet the issues of today and tomorrow so as to enrich the world by recreating a strong America. This trade bill continues to destroy America and the destruction of America means destruction of our way of life and the freedom it gives and promises to all people of the world.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. Mr. President, I yield 2 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. FANNIN. Mr. President, I wish to first of all commend the distinguished leader, the chairman of our committee, for his fine work in bringing this bill through a very difficult situation, and to the distinguished minority leader for the work that he did in cooperation with our colleagues.

I feel very keenly that we have accomplished much more than has even been discussed here today. The countervailing

duty and antidumping provisions of this legislation are far reaching and will be of great benefit to the work of this country.

Mr. President, at this time I do have a very serious matter that I want to discuss in the bill of the distinguished chairman of the committee regarding the situation with the contract to supply raw cotton to textile manufacturers in less-developed countries.

I would like to address this to the chairman of the committee.

We had sales of cotton last year where the price had gone from a very low price, when it was contracted to these countries, to a very high price, and we fulfilled those contracts. But now the price of cotton on the world market has declined and the manufacturers, in some instances, have repudiated these agreements.

Mr. President, it would seem to me that if a developing nation had contracted for the purchase of a product and then cancelled the contract, such country would not be providing equitable and reasonable access to its markets. Is it the understanding of the chairman that section 502(c)(4) of the bill would apply to cancellation or abrogation of contracts as previously discussed?

Mr. LONG. Yes.

Mr. President, I believe that if they break contracts, this provision should apply. We did not want to give the preference to countries.

Mr. FANNIN. I thank the distinguished chairman.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Who yields time?

Mr. MONDALE. Mr. President, I wish to commend the chairman of the Committee on Finance, Mr. LONG, for his gifted and inspired work in the development of the trade bill.

I also commend Mr. Best, the committee's chief ecnomist, who worked patiently and with great understanding, with all of us, in the development of this measure; my staff assistant, Gail Harrison, who showed genius in the development of some of the measures which I sought to press; and my colleagues on the Committee on Finance and in the conference.

I think this trade measure is a good one. It is the result of nearly two years of very hard work by the Committee on Finance, by the Ways and Means Committee, and by the respective bodies of the Congress. I believe it continues the longstanding American policy of seeking a civilized and rational approach to trade and commerce in this world.

Now that the job passes to our negotiators at the upcoming multilateral trade talks, we think this bill gives them the tools they need to protect this Nation's interests, to protect jobs, but also to seek the broader objective of expanded commercial trade and understanding with the nations of the world.

I am proud to have been a part of this effort. I believe that this is the beginning of a very important new step forward in international affairs.

Mr. President, I yield the remainder of my time to the distinguished Senator from Maine.

Mr. HATHAWAY. I thank the Senator from Minnesota for yielding me this time.

First, Mr. President, I commend the members of the Committee on Finance and the conferees for the excellent job they have done with respect to the trade bill. Also, I should like to have a clarification of one provision.

Section 303(d)(2)(a) of the Tariff Act of 1930 as amended by this bill pertaining to countervailing duties, provides, in part, that otherwise required countervailing duties can be waived if adequate steps have been taken to reduce substantially or eliminate during such period the adverse effect of a bounty or a grant that is made by an exporting country.

I presume that with respect to nonrubber footwear, this means an actual agreement must have been entered into or voluntary understandings must have been undertaken by the exporting country or exporters within the country which would have the same effect as an agreement.

I understand, further, that with respect to nonrubber footwear, the only type of agreement or understanding that would fulfill this requirement would be one of export restraints.

I ask the chairman of the committee if my interpretation of that section is correct.

Mr. LONG. That is exactly the way I understand it.

Mr. HATHAWAY. I thank the chairman very much.

I want to add that I understand that a letter from the Special Trade Representatives' Office will be sent to my office which does clarify this provision and, in effect, substantiates what the chairman has just agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield myself such time as I may need.

I should like to ask the distinguished chairman of the Committee on Finance to answer a couple of questions with regard to the bill, especially as it affects citrus.

I understand that the bill, as it left the Senate provided that an existing tariff of more than 10 percent could be reduced by only 50 percent. Can the Senator tell me what the conference committee came out with on that particular feature?

Mr. LONG. If the duty is 5 percent or less, it can be eliminated completely. If the duty is more than 5 percent, it can be reduced by as much as 60 percent.

Of course, it would have to go through prenegotiation procedures and it is expected that they not reduce those duties by a significant amount if it was anticipated that such reductions would seriously injure the domestic industry involved.

Mr. CHILES. If the tariff was more that 5 percent, it could be reduced by as much as 60 percent or 40 percent?

Mr. LONG. If the tariff was more than 5 percent, the rate of duty under the act could be negotiated downward by as much as 60 percent. Under the House bill, it would have been 75 percent.

Mr. CHILES. Mr. President, I voted against cloture on the trade bill because I thought there ought to be more debate and discussion of this important legislation in the Senate before passing the bill. Unfortunately, cloture was invoked on Friday morning and the bill passed Friday night. I believe a bill of this significance should have received more open debate in the public eye after long closed-door sessions of the Finance Committee and before going into long closed-door conferences with the House of Representatives.

There are some very real concerns that our people have with this bill which should be heard and should be considered as we pass this legislation. Amendments are not necessarily the best form to express these concerns so the issue is not just whether there will be amendments or not but whether the vital concerns of our people have been heard.

I want to take this opportunity on the Senate floor to say that I have heard the call of the citrus industry in Florida from the small grower to the large processor. And the call I hear is that they are hurting. The prices that Florida citrus producers are getting for their products have increased in recent years much more slowly than their costs. This has placed the whole industry in a position where the margins they are operating on are extremely tight. The slightest disruption in the market for citrus can send a jolt through the citrus growing industry in Florida. The citrus people do not want their fate determined by some complicated trade negotiation in some far off place with other governments. They are having trouble enough coping with the forces at work in our own economy.

I want the people in the citrus industry in my State to know that I have heard their call. I pledge myself to stand watch on trade negotiations as they go forward to insure that there are no surprises for our citrus people, to insure that the trade negotiators for our Government give the problems and positions of the Florida citrus industry serious consideration, and to insure that our people get a fair shake in future trade negotiations. Ambassador William Eberle and Ambassador Harald Malmgren, our top trade negotiators, have assured me that they will make every effort to see that the citrus industry fully participates in the negotiations as perscribed by law and that we are kept informed of developments as they unfold. I want them to know of the public pledge I make today and to be fully aware of the fellings and problems facing the people in the citrus industry in Florida.

I voted for the trade bill in the Senate. I did so because I believe that the authorities contained in it, if used properly, could make a real contribution to solving our current economc problems—inflation, recession, and unemployment. A major cause of our problems today result from supply and price changes in international trade, principally in food and fuel. The trade bill will help us work on these problems.

I voted for the trade bill also because it protects the prerogatives of the Congress in trade, and it requires close consultation between our negotiators and our people in the private sector. This is not a bill which makes a wholesale

transfer of authority from the Congress to the Executive without retention of a role for the Congress and the private sector as trade policy and trade negotiations go forward.

I would point out to my friends in the citrus industry in Florida that the Senate version of the trade bill was very much more to their advantage than the House version in several respects. First, the tariff reduction authority in the Senate version was more restrictive for citrus than the House version. In the House bill an existing tariff over 25 percent could be reduced by 75 percent whereas in the Senate version a tariff over 10 percent could be reduced by 50 percent. In the conference the House and Senate agreed that tariffs over 5 percent can be reduced by 60 percent.

Second, the section of the bill dealing with the participation of private sector advisory groups—section 135—is very strong. In the Senate version it stated that "the President shall, on his own initiative or at the request of organizations in a particular sector, establish such industry, labor, or agriculture sector advisory committees." This was retained. These committees shall work with the trade negotiators before and during any trade negotiations. Once an agreement is reached they shall make a report which shall include "an advisory opinion as to whether the agreement provides for equity and reciprocity within the sector." This provision was retained by the conference.

Additionally, there is a requirement that the trade negotiators inform the advisory committees when the negotiators do not accept the advice or recommendations of the committees and the President shall include in his report to Congress the reasons for not accepting the advice and recommendations of the advisory committees. This will be law.

The Senate version of the trade bill also required that our private sector groups participate in the negotiations to the full extent that equivalent groups from other countries participate. There is a commitment to carry this out to the extent that existing U.S. law permits.

All nontariff barrier agreements entered into with foreign countries are subject to congressional review and approval.

Finally, one of the real strengths of this legislation is that it is not a giveaway—it does not give away the power of the Congress to the Executive, it does not give away the interests of our farmers, workers, and businesses to the interests of others abroad; and it does not give away our market. In fact this legislation has new authority in it to raise trade barriers and to protect our market from actions taken by other nations which disrupt our market. The Unfair Trade Practices section of the bill—title III, section 301—has new authorities which do not exist currently to deal with export subsidies and preferential arrangements which affect our market.

This section and others give some bite to our purposes and give us some means to deal with execessively cheap imports into the United States. It gives our negotiators some added force to get a fair shake in trade negotiations and trade practices.

A fair shake is what the citrus industry of Florida wants and deserves. I think it is possible to get it from this trade bill.

The Senate version also stated that the President should, on his own initiative or at the request of the organizations in a particular sector, establish such industry level or agriculture level advisory committee, and these committees would work on trade negotiations. Does that feature stay in the bill?

Mr. LONG. Yes; that stayed.

Mr. CHILES. The Senate bill also provided that once an agreement is reached, they should make a report which should include an advisory opinion as to whether the agreement provided for equity and reciprocity within the sector. Did that provision stay in the bill?

Mr. LONG. That, also, was retained.

Mr. CHILES. In addition, there was a requirement that the trade negotiators inform the advisory committee when the negotiators did not accept the advice or recommendations of the committee, and the President would include in his report to Congress the reason for not accepting the advice and recommendation of the advisory committee. Is that still in the bill? I am not sure whether that provision was a subject of the conference or not.

Mr. LONG. I do not think that what the Senator is asking about was in the conference.

Mr. CHILES. I see. Then, it would be in the bill.

The Senate's version of the trade bill also required that all tariff and nontariff barriers entered into with foreign countries would be subjected to congressional review and approval. Is that a part of the bill?

Mr. LONG. All nontariff barrier agreements would have to be approved by both Houses of Congress.

Mr. CHILES. All tariff barriers?

Mr. LONG. All nontariff barriers have to be approved by both Houses of Congress.

Mr. CHILES. How about tariff barriers?

Mr. LONG. They have the authority to reduce by 60 percent if the tariff is more than 5 percent. Below that, they have authority to go to zero.

Mr. CHILES. But if it is more than 5 percent, they could reduce to 60 percent without coming back to Congress?

Mr. LONG. That does not come back to Congress. It never has, and it would not, under the act.

Mr. CHILES. The Senate version of the trade bill required that our private sector groups could participate in the negotiations to the full extent that equivalent groups from other countries could participate. Did that remain in the bill?

Mr. LONG. To the extent that that is consistent with the domestic law of the United States, that would be the case.

Mr. CHILES. As the Senator from Louisiana knows, the American shrimp industry is an important segment of our entire economy and at the same time, the No. 1 dollar-producing segment of our fishing industry and by far one of the most important segments of the Gulf Coast economy.

As we both know, that industry in recent months has undergone some extraordinary hardships. One of the severest hardships which they have been faced with has been a heavy influx of foreign shrimp which have literally flooded our market. Statistics compiled by the National Marine Fisheries Service exhibit that in some months the amount of shrimp imported into this country from countries—such as India, Iran, Brazil, Mexico, Indonesia—have been in excess of the entire public consumption of shrimp for the same period. In other words, when the importation level of foreign shrimp is 100–107 percent of the consumer purchase of shrimp for the same period, it is obvious that the American shrimp producer is under a heavy burden when he attempts to market his product.

I have read H.R. 10710 and I note that section 201, beginning on page 49, provides for:

> A petition for eligibility for import relief for the purpose of facilitating orderly adjustment to import competition.

It further provides, under Section 201 (b)(1) beginning on page 49 line 24 that:

> Upon a motion by the Senate Committee on Finance, the Tariff Commission shall promptly make an investigation to determine whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

As the Senator is aware, there are many of us who have for some time felt that large quantities of foreign shrimp brought into this country spasmodically without any form of warning or regulation have created such a serious injury to our domestic shrimp industry. My question is in two parts:

First, is it the committee's purpose, intent, and belief that the language under section 201, making reference to "substantial cause of serious injury, a decline in sales, a higher and growing inventory and a decline in the proportion of the domestic market supplied by domestic producers" is intended to protect our domestic shrimp industry and aimed at combating the specific problem which they are presently facing from foreign imports.

Second, will the Senate Committee on Finance make the proper motion, immediately upon enactment of this legislation, requesting the Tariff Commission to make a prompt, in-depth investigation, and to undertake in every way possible within the statutory provision enacted to render quick, meaningful relief to our domestic shrimp industry?

Mr. LONG. The Senator's question is well taken and is absolutely on point.

Our domestic shrimp industry has been faced with serious adversities in recent months. Every item essential to their operation has gone up severely in price. Their fuel has gone up, their nets have gone up, their boats have gone up, their labor has gone up, their groceries

have gone up, their ice has increased in price—everything they use in their everyday work has increased substantially in price. In some cases it has tripled in price since early fall of 1973. In less than 14 months, this industry has been substantially turned around, turning from one of the highest income-producing segments of the American fishing industry to an operating loss industry.

What is most troublesome about this is, that at the same time all of their costs have increased substantially, the price they are receiving for their products has dropped drastically. They are receiving substantially less today than what they were receiving in the early fall of 1973 for a pound of the same size of shrimp. While the fuel embargo which came into effect at that time caused the traveling public to cut back in eating out in restaurants, where incidentally most of the shrimp is sold in the United States, one of the biggest impacts on shrimp prices was the heavy influx of foreign produced shrimp.

I would like to cite for example that according to the National Marine Fisheries Service's statistics in June of 1973, the ratio of shrimp imports to U.S. consumption of shrimp was about one-half. Imports at that time were equal to 57.5 percent of the total shrimp consumed for the month of June. In July, imports were equal to 59.9 percent of all the shrimp consumed in the United States. In August, the shrimp imports were equivalent to 59.8 percent of all the shrimp consumed in the United States. In September, when our domestic shrimp industry first began feeling the impact of increased prices, oil embargos and all the other problems, shrimp imports were equal to 86.3 percent of all the shrimp consumed in the United States. In October, these imports had increased to 96.6 percent of all the shrimp consumed for that month. By November, foreign imports were 104.7 percent of all the shrimp consumed and by December, imports had gone as high as 106.7 percent ratio of imports to the amount consumed. Can you believe that—they were dumping more foreign shrimp into this country than the American public was consuming. In January 1974, they dropped back to 90 percent and started to decline. The reason they started to decline at that point: they had so glutted the U.S. shrimp market that shrimp sales had come to a complete stand-still. Shrimp dealers in my area lost thousands, and in some cases, million of dollars because of these foreign countries dumping their shrimp on our market, at any price they could get for them, just to unload the shrimp they could not sell in other parts of the world.

The shrimp industry in the past has been a healthy industry but no industry, no matter how healthy, can stand up under the import practices that have taken place during various months in the past. This industry needs the type of protection which we have undertaken to provide in this bill. The Senator is exactly right in believing this language was directed at providing relief from the type of problem I have cited for the U.S. shrimp industry.

Furthermore, not only will the Senate Committee on Finance undertake on its own motion to have the Tariff Commission properly make an investigation into these imports and provide immediate and adequate relief to the domestic shrimp industry, but also, if the Tariff Commission response to our motion does not adequately protect the industry, we will attempt to go further than we have gone in this legislation. In fact, we may come in with legislation that will put an absolute import quota on shrimp and, furthermore, put a duty on all foreign shrimp coming into this country. The money that the import duty provides could be properly used to market and promote our domestically produced good American shrimp, along the same lines that the S-K funds are presently used by our Government to market and promote the sale of all seafood in general.

Furthermore, while it is not in this bill—but it is somewhat related—we passed a bill here on the floor the other day—S. 1988—that will provide 200-mile protective limit around the United States for our close-in-shore domestic fishermen. The bill stated that it would recognize the traditional fishing rights of other countries who come into our waters and fish. If other countries fail to recognize our fishing rights where we have fished for years and years, we will pass the appropriate laws or amendments to see to it that countries that do not recognize those traditional fishing rights that the Americans have acquired over long years of effort and expenditures of money and what-have-you in the fishing business, we will just see to it that those countries do not import any seafood into this country. I am tired of seeing our American businesses—shrimp industry, fishing industry, American industry in general—taken advantage of as they have been in the past.

The Senator can rest assured that the language he has made reference to is intended for adequate protection for the shrimp industry. We are going to undertake to see that the language is fully recognized and carried out for the benefit of the industry.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Who yields time?

Mr. BENNETT. Mr. President, I yield to the Senator from Nebraska 2 minutes.

Mr. CURTIS. Mr. President, as one who spent several months as a member of the Committee on Finance on this legislation, I wish to express my gratitude to our chairman (Mr. LONG) and to the distinguished ranking minority member (Mr. BENNETT), and all the other members, for their courtesy, assistance, and cooperation throughout this entire legislative process.

I shall support this trade legislation. I think it is good for our economy generally. Speaking as a representative of an agricultural State and as a member of the Committee on Agriculture, I wish to state that agriculture, in general, has much to gain from our foreign trade. Organized agriculture, for the most part, supported this legislation, and I am happy that it did.

We need foreign markets for agriculture. As a matter of fact, the one bright spot in our whole balance of trade and balance of payments picture has been our export of agricultural products.

I shall, however, vote for the motion to table offered by the distinguished Senator from North Carolina (Mr. HELMS). I do that as a protest to a compromise that I believe tampers with our basic principles of human freedom.

I think he is aware that it is not going to carry, but I shall vote for it because I believe the Helms amendment, as introduced, should have been accepted and remain in the bill. Nevertheless, I think this trade program is a good one. In many respects, the details are very much to my liking.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

NEGOTIATING OBJECTIVES UNDER THE TRADE ACT

Mr. DOLE. Mr. President, there appears to be an inconsistency between section 103 and section 104 of the Trade Act. Section 103 sets forth the overall negotiating objective and section 104 sets forth the sector negotiating objective. I would like to clarify with the managers of this bill and establish legislative history that any actions taken under the authority provided in section 104 will be carried out in a manner consistent with the provisions of section 103.

The Senate earlier adopted my amendment to the Trade Act which would have specified that the provisions of section 104 are to be carried out in a manner consistent with section 103. It is my understanding that the conferees dropped the language of my amendment on the grounds that its intent is already inherently incorporated into the act. However, I believe it would be beneficial to clarify the relationship between sections 103 and 104 in this discussion. In view of the earlier action by the Senate and the conferees, I believe the sponsors of the Trade Act will argee with this clarification.

Section 103, overall negotiating objective, states:

> The overall United States negotiating objective under sections 101 and 102 shall be to obtain more open and equitable market access and the harmonization, reduction, or elimination of devices which distort trade or commerce. To the maximum extent feasible, the harmonization, reduction, or elimination of agricultural trade barriers and distortions shall be undertaken in conjunction with the harmonization, reduction, or elimination of industrial trade barriers and distortions.

It is logical and reasonable that negotiating objectives for individual sectors should be subordinate to the overall negotiating objective. Since section 104 sets forth sector negotiating objectives, it follows that actions taken under the authority provided in section 104 must be carried out in a manner consistent with the provisions of section 103. I believe the managers of this bill will agree with me in this matter.

It is my conviction that the clarification provided in this legislative history is

especially important to trade negotiations on farm commodities and to the trade balance of the entire Nation. Exports of farm commodities have been one of the few bright spots in our foreign trade picture. Exports of farm commodities have made a very substantial contribution to keeping a relatively positive balance of trade which is so important for reducing the rate of inflation we are experiencing. Farm exports are vitally related to the well-being of our national economy. The clarification provided in this colloquy should facilitate negotiating in a manner to keep farm exports at a high level beneficial to the health and strength of our economy.

OFFSET OIL IMPORTS

In fiscal year 1974, agriculture exports reached a record level of over $21 billion. That meant a surplus in agriculture trade of about $12 billion. The cost of oil imported into this country exceeded $20 billion in the first 10 months of 1974. That cost has been a major impetus to inflation in this country. Our national oil bill has increased by over $12 billion this year over last, and had it not been for this increase, the $21 billion in farm exports would have more than offset our oil imports by a healthy margin.

In fiscal year 1973, our agricultural trade had a surplus of $9.3 billion. That surplus exactly offset the $9.3 billion in oil imports into this country. Because farm exports offset oil imports in fiscal year 1973, we enjoyed a trade surplus of $1.7 billion overall.

Clearly, we need to maintain a high level of agricultural exports in order to reduce the deficit in our balance of trade resulting from oil imports. Although we are making every effort to reduce oil imports, every estimate I have seen shows a continuing dependence on foreign oil for some time to come. The high level of farm exports this year has kept our trade deficit from becoming even greater. We must make every effort to keep our agricultural exports at a high level and that is the purpose for establishing the legislative history in this colloquy today.

ADVANTAGE OF FREER TRADE

The basic objectives of the Trade Act are set forth in section 2; the statement of purposes in the bill. These objectives can be attained only if the nations participating in the upcoming round of multinational trade negotiations are convinced that an international trading system based on comparative advantage offers maximum opportunities for obtaining economic benefits for the peoples of all nations. Under such a system, each country will export those industrial and agricultural commodities which it can produce efficiently and in volume and will receive from other countries those commodities which other countries have a comparative advantage in.

Adherence to this basic economic principle can result in an expansion of international trade that will be mutually advantageous to all nations.

SECTOR NEGOTIATIONS LIMITED

Expansion of agricultural exports offers our country its greatest opportunity to improve our balances of trade and payments and to meet the increased cost of imports of petroleum and other essential raw materials now in short supply. It is essential to our national interests that agricultural not be separated from industry during the upcoming negotiations.

There are few opportunities for gaining trade concessions on our agricultural exports by granting comparable concessions on our agricultural imports. There are several reasons for this.

First, we have already reduced most restrictions on our imports of foreign agricultural commodities. Because we have already lifted these restrictions, we have few opportunities to make concessions to other nations by further reducing restrictions on foreign imports. We have in effect given away most of our bargaining chips in this area already. Because we have few concessions left to give, negotiations limited strictly to the agricultural sector will hardly offer much promise of gaining expansion of agricultural exports that we so greatly need.

Second, we have no direct subsidies or rigid quantitative controls on exports of agricultural commodities. While export subsidies might be beneficial to our farm commodity export position, all subsidies were phased out when farm exports increased last year. That means we have no trade distortions of these kinds to place on the negotiating table.

If our negotiators are restricted to a sector-by-sector negotiating basis, they will not be able to achieve market expansion for U.S. farm exports.

Commercial exports of our agricultural commodities are confronted by foreign import barriers of great multiplicity and magnitude. The Trade Act contains authority for the President to reduce these tariff and nontariff barriers. However, by negotiating on a sector-by-sector basis, our negotiators will be deprived of the bargaining leverage and negotiating flexibility needed to achieve the overall negotiating objective of section 103.

Finally, our domestic agriculture possesses tremendous competitive strength in terms of ability to supply large quantities of many of the commodities in world trade. For our country, this is a national asset, but some countries, for political or other reasons, wish to remain largely self-sufficient in food production. This further increases the difficulty of expanding our agricultural exports, if the negotiations are restricted to a sector-by-sector approach.

The bill we reported out of the Senate Finance Committee provided many substantial improvements over the language in the House-passed bill. The Senate Finance Committee report further improved the intent of this language. However, ambiguity remains. There is concern that the law could be interpreted to permit practically any manufacturing industry to be isolated for negotiations on a sector basis if the industry so desired. Such an interpretation of the law could result in negotiations on agriculture commodities being restricted to that sector alone. This would be disastrous for expansion of our agricultural exports and ultimately for the economy as a whole and that interpretation, when it would conflict with the overall negotiating objective, is what this legislative history is intended to prevent.

Section 103 provides flexibility for negotiation in order to expand agricultural trade in a meaningful manner. Yet section 104, immediately following, seems to contradict the previous section by requiring that negotiations be conducted to the extent feasible on a sector-by-sector basis. The legislative history established in this colloquy should resolve any contradiction between sections 103 and 104 by clarifying that the provisions of section 104 will be carried out in a manner consistent with section 103.

I ask the Senator from Louisiana (Mr. LONG) if he is in agreement that the provisions of section 104 should be carried in a manner consistent with section 103?

Mr. LONG. Mr. President, our bill aims at increasing both agricultural and industrial exports and to achieve equivalent competitive opportunities within appropriate sectors. There is flexibility in both section 103 and 104 to achieve these objectives. We do not want to sacrifice agriculture for industry, or vice versa. The conference agreement, the statement of managers, the legislative history in the commitee reports—all try to strike the necessary balance to maximize our national economic interests. Certainly, this history indicates that agriculture must be a vital part of this negotiation.

There are many segments of industry which do not feel that we should trade jobs in manufacturing for the sake of agricultural exports. I am sympathetic to that point of view. On the other hand, I can fully appreciate that the Senator from Kansas and the Senator from Nebraska do not wish to see agriculture left out of these negotiations. I applaud their efforts and I believe the conference agreement will protect their interests as well as the interest of those who represent industrial States.

Mr. HUMPHREY. Mr. President, I would like to add my support to Senator DOLE'S remarks relating to section 103 and 104 of the Trade Reform Act.

Certainly, if agriculture is to benefit from the coming round of trade negotiations, our negotiator will require a reasonable degree of flexibility in the structure of the negotiations and negotiating techniques. I believe that we are in general agreement that the requirement of section 104, which provides that negotiations should take place on a sectoral basis where feasible, should not be pursued to a degree which is inconsistent with section 103.

I would hope that the encouragement of a sectoral approach to the negotiations will not be pursued to the extent that we play into the hands of some of our trading partners who would like to isolate agriculture from the rest of the negotiations so as to avoid having to deal with this sector at all.

During the consideration of the Trade Reform Act on the Senate floor, I stated that the objective of sectoral negotiations will not achieve our goals of either

liberalized trade or equivalent access to foreign markets. In other cases, this approach may be useful if it involves concessions undertaken across sectors as well as concessions within each sector.

I would also like to congratulate Senator LONG and the other members of the Senate Finance Committee for their fine work to produce this major new piece of trade legislation. It is a timely response to the need to provide for new authority to enter into another round of trade negotiations, and to amend existing legislation to provide better protection for the American consumer and worker from the adverse effects of unfair trade practices and import competition.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President.

Mr. BENNETT. Mr. President, as far as I know there is only 1 minute of time left, and that is mine. I hope that the Senator will allow me to use it.

Mr. DOMENICI. I understand that the distinguished acting majority leader had agreed to yield 2 minutes of Senator HARTKE's time to me.

The PRESIDING OFFICER. Does the Senator from West Virginia yield time to the Senator from New Mexico?

Mr. ROBERT C. BYRD. Mr. President, how much time does the Senator wish?

Mr. DOMENICI. Two minutes, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 2 remaining minutes allotted to Mr. HARTKE be yielded to the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Will the distinguished manager of the bill discuss one matter with me briefly? As he knows, in behalf of Senator BARTLETT and Senator HUMPHREY, I introduced an amendment that would have used our international trade bill to require that non-market-economy countries provide us with agricultural statistics before they would be entitled to most-favored-nation treatment.

That amendment was accepted by the Senate. As I recall, we clearly intended to let the world know that we wanted our agricultural exports to be predicated upon solid agricultural facts with reference to crop availability, production, and the like.

The amendment was accepted here in the Senate but was left out in the actual legislation.

Am I correct in saying that the final report will clearly indicate that before most-favored-nation treatment is extended to any nation, the executive department will extract from them, to the maximum extent possible, an agreement on agricultural facts and statistics so that we in the world will know exactly how we are dealing in terms of sale of food products in the international marketplace?

Mr. President, I too want to emphasize today the importance of this trade bill. It is especially important because it would make possible U.S. participation in a major round of international trade negotiations scheduled for next year. If this bill were to fail to pass, there almost certainly would be no significant negotiations because of the importance of the United States in world trade.

I also want to thank the distinguished Senator from Louisiana for including the language in the conference report which instructs the President to take into consideration the wording in my amendment before renewing most-favored-nation treatment to any non-market-economy country.

I will point out that the majority of the countries participating in the World Food Conference agreed that if we are to solve the many problems involved in food production and distribution, it is essential to create a world food information and early warning system to provide facts on the types and quantities of crops planted, exports and imports of agricultural commodities, changes in the weather and expected crop yields. If all nations would cooperate in this system, approaching shortages can be identified early and food-relief missions could avoid the delay which have led to thousands of deaths in previous situations of this type. I will also point out that Secretary Kissinger, in his major address at the World Food Conference, stressed the need for this type of information as an important part of any international food security program.

Mr. LONG. The Senator is correct, and that is contained in a very strong statement by the managers of both the House and the Senate.

Mr. DOMENICI. I thank the Senator.

Mr. HANSEN. Mr. President, as a member of the Senate Finance Committee I want to compliment the distinguished chairman, Senator LONG, for his skill and diligence in achieving the passage of the Trade Act of 1974.

Many thought that it would be impossible to accomplish this near Herculean feat. But the Senator from Louisiana displayed those abilities well-known to members of the Finance Committee in a most persuasive manner and the most improbable was accomplished. The Ways and Means Committee's and the Senate's versions were at variance in many ways. These differences were reconciled and the country is the beneficiary of Chairman LONG's tact and diplomacy.

Mr. President, it is with sadness that I note the departure of Senator BENNETT from the committee. Our ranking member has earned our admiration and love.

His record is one most worthy of emulation. His industry and knowledge will be sorely missed. We wish him well.

Mr. BUCKLEY. Mr. President, as we vote on the final version of the trade bill as reported out of Congress, a bill that records this country's continuing concern for the state of freedom behind the Iron Curtain, I believe it appropriate that today's RECORD reflect the cruel conditions that the Jackson amendment seeks to alleviate. I therefore ask unanimous consent that there be printed at this point of the RECORD an open letter to scientists in the West by a distinguished Soviet biochemist, Alexandre Goldfarb, which speaks for itself.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 30, 1974.

DEAR FRIENDS: I am writing you this in order to describe the situation I am presently in and to justify my request for help, because, I think, it would be difficult for a man not accustomed to the "Soviet reality" to understand all the implications of recent events in my life.

As many of you may know, at the end of 1973 I applied to the Soviet authorities for a permission to emigrate to Israel. Shortly before the application, I had to quit my job at the Kurchatov Institute because I knew I would be fired anyway, and I wanted to spare my boss, whom I deeply respect, the necessity of firing me under the pressure of the Institute's management and the accusation of a bad political education in his lab.

Yesterday a police lieutenant colonel announced to me in a toneless voice that the authorities "consider my departure undesirable because I possess information which is important for the security of our state". No explanations, no arguments.

Those of you who have visited our laboratory can easily understand the complete absurdity of considering my work on RNA polymerase of E. coli and the general research on transcription carried out in the lab to any extent related to warfare and military secrets. Not only have I never participated in any kind of classified research, or seen a classified document, but I have never met a person in my department who has. All the results of our laboratory were always published in open press and mostly abroad. I am sure that any expert when asked about the possible military significance of my work would laugh at the question.

But it is not scientific institutions or the police who have made the crucial decision. The real decision-maker is the KGB, hidden behind the official cover of OVIR, a department of the regular police which formally deals with visas. Incidentally a KGB officer in plain clothes was present at the ceremony of announcing the refusal to me, but he was silently sitting in the corner while the policeman was reading the verdict and answering my questions. And although my pocket tape recorder was putting on record everything which was said in the room, the tape misrepresents the atmosphere leaving the impression that there were only two of us talking, me and the policeman, while, in reality, the dominating figure was the man in plain clothes, well-dressed and intelligent-looking, smiling quietly at me from his corner, and it was he and me who were actually the two parties in the game, each equipped in his own way—me with the hidden tape recorder to reveal him and he with the police officer to hide himself. The old Jews sitting in the queue in the corridor who spend days in the OVIR and know everything there, had noticed the man entering the room, and when I went out, asked me whether it was me whom the KGB man has specially come to talk to—and I felt a kind of respect.

Why didn't they let me go? I doubt that there are specific reasons for keeping me here because I am of some special value to this country. Anyway they are not going to use me as a specialist anymore, for it would be impossible for me to find a job as a schoolteacher to say nothing about a university or a research institute. The real reason is high politics and this refusal is not a punishment for my specific characteristics—I am simply a victim of the authorities' attitude to a certain problem at a certain time.

The problem is the growing amount of Jewish scientists wishing to go to Israel because of many difficulties they have in their work, because for membership in the academic community in this country they have to pay the price of alienation from their people, because of the fierce anti-Israeli campaign in the press, because of the choices they are often offered: either you sign a letter against Israeli policy or Sakharov or God-knows-

what or they'll make life for you difficult, etc. Naturally the authorities want to contain the brain drain. What is less natural, an application for a visa is considered at all levels an open challenge to the regime, the very existence of which was for decades based, among other things, on closed borders. And what is most unnatural, these emotions are augmented by a mentality of a feudal lord of the last century who, all of good intentions, created relatively tolerable conditions for his serf intellectuals and who, instead of praise and admiration, is rewarded with demand for freedom. His natural response would be to have the ungrateful serf taken to the horse-yard and whipped to make others know better.

This master-to-serf attitude of the authorities toward emigrating scientists was openly described in an article in Literaturnaya Gazeta in November 1973. A well-known party idealogist Academician Mintz declared that a scientist has a special responsibility towards the state which has given him education, invested in him and the state expects him to work for the society and not go away for good. An emigrating scientist, we are told, betrays not only his society but his Motherland itself so it is not surprising that such people are surrounded by general hostility.

So, to teach others a lesson, the policy was adopted to turn down applications of certain scientists and to make their lives unenviable. The list of refusenicks must cover all categories of people which, according to the authorities' estimates, are going to apply, so that everyone will have a deterring example. Among the refusenicks we already have physicists, mathematicians, chemists, engineers, and I am the first molecular biologist. And instead of saying that my release contradicts "interests of the state", it would be more proper to say that keeping me here is in the interests of the state.

So the state's objective is to make my life miserable in order to show others what may happen to them if they follow my route. I have already had opportunity to notice the interest of the KGB in my person. Once I was arrested in the street and kept in a police station for an hour without explanations. Now and again I am followed by two cars with 8 plainclothesmen; my friends who are in the same position for years say that this is their way of making acquaintance with me. All my mail is opened and half of my letters abroad do not reach their destination.

From the examples of other refusenicks I see that things may even get worse. I know that I will never return to research, but I may even be fired from any job and then accused of "parasitism", as it happened recently to a college professor in Sverdlovsk. Or I may face a "hooliganism" charge after being beaten up in the street by police agents—as it happened recently to a refusenick in Kiev.

So there is no way back for me and as a human being and scientist I have no alternative to going where I want to, to Israel. And I ask you to help me, for support from my friends and colleagues is the only hope for me—if not of getting my visa, then at least of being in a way protected from persecution for active efforts to obtain it.

My foreign colleagues are the only people who are in a position to say that research on modifications of E. coli RNA polymerase induced by T-even phages cannot be a military secret. None of my Soviet colleagues will dare to do so—and this is one of the reasons why I wish to leave this country. Only *you* can say that a scientist should not have less personal freedom than other people simply because he is considered a more valuable serf of the state. And your voice will be considered seriously by the "lord master" of the serfs because to have Western scientific cooperation is as important for the Soviets as foreign investments and credits.

I apologize for bothering you but this is the only way to do anything not only for me and a few dozen of outcast scientists but also for many of their silent colleagues who are still in ther labs and who will not answer many of your worried questions you ask them while visiting the USSR on a program of scientific cooperation.

Yours sincerely,

ALEXANDER GOLDFARB.

Mr. McINTYRE. Mr. President, I would like to commend once more the chairman of the Finance Committee and its members, as well as the members of the conference committee for their efforts on this bill.

I am pleased to note that the conference committee retained most of the amendments passed in the Senate to provide much-needed protection for the footwear industry.

I am most gratified that the pleas made here in this Chamber on behalf of the footwear industry and its workers and have been heard, and that steps have been taken to assure that the unique problems of this industry will be addressed under this new legislation. I thank my colleagues for their cooperation and understanding.

It is my sincere hope that as this bill is implemented that past experiences with foot dragging by the executive branch with regard to import relief and difficulties in obtaining adjustment assistance will not be repeated. I will continue to watch this situation with the closest attention.

Mr. ROBERT C. BYRD. Mr. President, I know that Senator JACKSON wishes he could be here today to vote for passage of this conference report. However, he had to leave yesterday for Tacoma, Wash., for an operation for the surgical removal of a kidney stone. The operation had been scheduled in advance to occur after the expected adjournment of Congress.

Mr. HATFIELD. Mr. President, I am pleased that final action now is being taken on the trade bill. I commend the chairman of the Committee on Finance, Mr. LONG, for the yeoman's work he has done in moving this bill along in these final days and hours of this Congress.

As a supporter of the concept of liberal trade policies, I am pleased the bill will be enacted into law. If we had not acted on the bill, the dynamics of getting another bill passed in the next Congress would have prevented serious trade negotiations from beginning in 1975. I recall reading somewhere that 1975 was a crucial year because there probably would be no national elections in the major countries. If that is so, I hope progress in negotiating some of the needed agreements can proceed.

I doubt that any of us like every crossed "t" and dotted "i" in the bill, but its scope is one that will be good for the country. It is, as are so many of our bills, the product of compromise, both within this Chamber and with the other body.

Mr. President, we have heard from opponents of the bill about the cost in jobs to the workers of this country. Let me take one example in my State to rebut this claim. Tektronix is the largest single-site employer in Oregon—I repeat, the largest employer in one place of people—and supplied me with some material on the foreign trade aspect of their operations. I should note they are a company manufacturing sophisticated electronic equipment. I ask unanimous consent that a letter from Earl Wantland, president of Tektronix, describing their international efforts and the impact on jobs, appear at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TEKTRONIX, INC.,
Beaverton, Oreg., December 6, 1974.

Senator MARK O. HATFIELD,
Russell Office Building,
Washington, D.C.

DEAR SENATOR HATFIELD: It is my understanding that the Senate will be debating the Trade Reform Act during the week of December 8. You and I have discussed the international nature of Tektronix' business on past occasions, but an update at this time may be useful. Three closely related variables are examined here: exports, balance of payments and employment.

Tektronix sales in the United States during our last fiscal year (ending May 1974) were $156 million. Our foreign sales for the same period were $115 milion. Thus, foreign sales are an important part (42%) of our total business. $74 million of our foreign sales were exports from the U.S. Since our imports are historically under $2 million per year, nearly all our international business contributes to a positive U.S. trade balance.

During our last fiscal year our net contribution to the U.S. payments balance was $68 million. This is nearly twice as much as our net increase in foreign investment during the past ten years. Our net contribution to the U.S. payments balance during the past ten years totaled $364 million. This may not look like much compared to the huge deficits caused by high oil prices, but we are proud of our contribution.

Tektronix employs about 13,300 people worldwide; 10,800 of these are in the U.S. (9,500 in Oregon). Of our U.S. employees, we estimate that 3,000 are employed as a direct result of our international business. Since most of these are in Oregon, we are to the point where nearly one-third of our Oregon employment is attributable to our overseas business. This accounts for approximately $29 million annually of our total Oregon payroll.

I am pleased that we are able to report favorably to you on these aspects of our business. Our continuing ability to do so depends to a large extent on open world trade. We appreciate your past efforts on behalf of free trade and ask for your continued support as the future of the Trade Reform Act is decided in the U.S. Senate.

Very truly yours,

EARL WANTLAND,
President.

Mr. HATFIELD. Mr. President, one reason it is important that this bill be passed is that it will help create a framework for broad negotiations in numerous, trade-related areas. The United States must establish credability in this area, and passage of this bill will help greatly in this effort. Perhaps it would be more accurate to say that failure to pass it would have been a fatal blow toward meaningful negotiations.

Earlier this year, several of us who felt the need for a trade bill spoke on the floor in a colloquy about trade issues. In my remarks, I stressed the tie between the trade bill and hunger. Because this

tie still exists, and the issue of world hunger needs all the attention we can provide, I ask unanimous consent that my earlier comments appear at this point in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

TRADE REFORM ACT

THE NEED FOR TRADE LEGISLATION AND THE GLOBAL FOOD SHORTAGE

Mr. HATFIELD. Mr. President, I am pleased to join in this colloquy this morning to discuss the need for trade legislation. Because of its ramifications, it is a topic that Congress could be tempted to just ignore, hoping the current problems would disappear. Today's problems are immense in international trade, with runaway inflation and floating exchange rates creating great uncertainty on all fronts.

Ambassador William Eberle worked for a long time to convince the Europeans to lower some tariffs to compensate the United States for the enlargement of the common market. Suppose, however, Arab oil-producing nations were to invest a huge amount of oil-moneys in New York banks, and the price of the dollar goes up. Does this not wipe out the concessions the Europeans made? It is a tough question, and there are those who say we are better off with no bill, and that we should wait to see how things "shake out" in the international arena. As appealing as this may appear, it is the wrong position. A trade bill should be considered and approved.

If all the trade bill offered was the possibility of adjusting tariff rates, then the desire by some to postpone its review would have more merit. Some day, when the monetary system settles down, a modest change in the tariff on a product will be more important than today, when changes in currency values can have a greater impact on trade than tariffs. We hope such a day is coming. The long period of fixed exchange rates that occurred following World War II would have been much more difficult to maintain if adjustments in the tariff rates had not been available to keep the international balance system better tuned. Certainly, successful trade negotiations can make a contribution to other negotiations, and would be justified on that count alone.

We should keep in mind, though, the proposed trade legislation deals with far more than changes in tariffs. An important provision concerns nontariff barriers to trade. These troublesome measures, often embodied in domestic law, can be used to curtail trade regardless of what currencies are worth.

Of the five titles in the bill, only the first deals with negotiating authority on tariff and nontariff barriers to trade. Title II is just as important in providing a workable system of helping domestic producers adversely affected by foreign competition. Without such a system, the only place where those faced with injury can come is to Congress. Years ago, we decided that special interest legislation on trade matters was not desirable. Our job is to frame a good system to administer solutions to this problem. The bill also provides means in title III for dealing with unfair competition, and in title IV for East-West trade. Title V offers an opportunity to strengthen our ties with the poor countries of the world by offering them a better break in the American market. They need this break, and we need to maintain the kind of relationship with them that will avoid ugly disputes over the price and availability of the commodities we buy from them.

The question of commodities brings up what I think is the central reason for considering the trade bill: we must negotiate solutions to the "commodity crunch," and the trade bill, while not solving the question, helps create the framework for such negotiations. Entwined with the question of commodities is the issue of food.

GLOBAL FOOD SHORTAGES

Meeting the food needs of the world is a critical issue whose magnitude has not been grasped by most people in this country. While the terms of the trade bill do not relate directly to the question of food shortages, I think the interrelationship of trade, commodities, and food is clear. Only through the kind of international agreements that the trade bill will help begin can the proper framework, the trust, and the working relationships, be established in a manner that will lead to workable solutions to the world food crisis.

In a broader sense, we must exercise moral leadership to help ease the food shortages that are growing around the world. Because I believe it is such a critical matter, I would like to add some further comments about the world food situation.

Let me be candid. There is no problem faced by this world more likely to breed instability and conflict, and increase the magnitude of mankind's suffering in the years directly ahead of us, than the shortage of food.

International politics, relationships between the "superpowers" and the poor countries, the durability of political regimes, and the political character of nations, including our own, will be shaped by the growing scarcity of the world's basic resources, and especially food, more than by any of the other factors that have monopolized our attention.

Here is the picture that we are facing.

Before World War II, most all countries of the world had all the grain they needed, and frequently some to spare. Only Western Europe was dependent upon buying grain from other nations. Today, much of the world needs grain, but only North America and Australia have substantial surpluses to export.

The United States produces half of the world's corn and two-thirds of the world's soybeans. Out of 1.2 billion tons of grain produced by the world, 90 million tons is traded between countries, and the United States provides 70 million tons of that amount.

Yet, what is our situation? Two-thirds of the world's population fights for one-third of the world's total protein.

Recently we have put idle land into production, and depleted our reserves. But the world demand has increased. Our long standing surpluses are no longer present to provide a cushion against outright famine.

The shortage of energy worsens the shortage of food. With the increasing mechanization of farming, both here and abroad, it takes about 80 gallons of gas to raise an acre of corn. Far more is required to produce fertilizer, which is essential to the hoped for green revolution. Thus, while Americans waited in line a few hours for gas for their cars, Indian farmers waited in line for 5 days for gas to run their irrigation pumps or other machines for growing and harvesting their crops.

More troubling is the report of some scientists who study the climate. They have ascertained that the world's temperature has dropped by 2.7 degrees since 1945, and that this apparent cooling trend will cause desert areas to advance toward the equator, expanding the region of drought. We have already seen the effects of this in the Sahel region of Africa, where the Sahara Desert has expanded southward 30 miles each year of the current drought. For the first time in the memory, the Niger River can be crossed by foot. And at least 250,000 people have died from starvation. Continuing changes in climate such as this would affect India, South Asia, China, and Central America.

Changes in climate can also affect our own capacity for food production. Many of us have memories of the last major drought in the United States, which created the Dust Bowl. Scientists sense that dry periods come in cycles, and may be mild—such as in the 1950's—or far more severe. But what many predict is that the next drought period is due just about now, and could last for 5 to 6 years. Even a slight reduction in harvests of grain from North America could have a devastating effect on a world trying to fight against famine.

Because of the way you and I have become accustomed to eating, it takes five times the limited resources of land, water, and fertilizer to support our diet than to support the diet of a Nigerian, or Colombian, or Indian, or Chinese.

The amount of food and protein consumed by the diets of you and me and all 210 million Americans could feed 1.5 billion Africans and Indians on a stable, though vastly different diet.

Our vast consumption of world energy resources is also related directly to the way we produce food. In a poor nation, or primitive culture, each calorie or unit of energy invested produces anywhere from 5 to 50 food calories. But in the rich nations it takes between 5 to 10 calories of energy to get just one food calorie.

Apply that to just one country such as India. If all of India's 550 million people were to be fed at our level of 3,000 calories each day, it is estimated that this would require the expenditure of more energy than India currently uses for all other purposes. On a larger scale, to feed the entire world on our diet would require 80 percent of the world's total energy.

So what does all this mean? We can no longer suppose that our extra abundance can feed the hungry of the world. Rather, the world will be fed only by the sharing of resources which the rich of the world have assumed to be their unquestioned possession, and through the changing of values and patterns of life which the affluent have barely even questioned.

Some have already warned that with the fertilizer shortage alone, Asia may be faced this year with the largest food deficit of any region in recent history. The failure of the monsoons and a resulting poor harvest would almost insure famine. But even now, without those developments, over half of India's population, more than the total population of the United States, lives below the subsistence level, eating only one meager meal a day. Thus, just the slightest deterioratino from the status quo would mean starvation for hundreds of thousands, and even millions.

At least 60 percent of all those 2.5 billion people living in the poorer, developing world are malnourished. We have not even touched on how malnutrition leads to death through disease for millions of people. One can have enough food to keep himself alive, but malnourished, making him far more susceptible to disease and death. Even more tragic is the evidence that malnutrition during a mother's pregnancy and the first months of an infant's life can cause permanent damage to the mental abilities of the child.

Famine cannot be averted by simply thinking we can increase the "size of the pie," so those who have little may have a little more. What we are discovering is that the pie itself has limits. Most all arable land around the globe is in use. Increased protein production once hoped for from the sea has not materialized, and now most scientists fear the seas are being overfished, which would deplete this resource. The simple

truth, then, is that the pie must be shared more equitably.

The world produces enough food to feed all its inhabitants. But when one-third of the world's population—all those who are comparatively the rich—consume two-thirds of the world's protein resources, then millions of the other two-thirds of the world suffer, starve, and die.

Gandhi put it cogently and well:

"The earth provides enough for everyman's need, but not for everyman's greed."

I am reminded of the Bible story of Joseph and the 7 years of plenty that were followed by 7 years of famine. Let us hope we have not entered into the era of the symbolic 7 years of famine. Our past policies of paying farmers not to grow crops, and allowing grain to rot in silos, has helped leave us unprepared to meet the future food needs in time of global food shortages.

Two other areas exist where the trade bill would improve our relations with the less-developed countries: The first is the generalized system of preferences included in title I of the bill. The other area is access to supply.

Mr. President, most other developed countries already have introduced generalized system of preferences—GSP—in favor of the less developed countries. The basic objective of the United States in this area is to help developing countries build self-reliant productive economies in order to become more stable members of the world community. The preference system envisioned by the bill would accomplish this in a number of ways. It would enable the less-developed countries LDC's—to expand their foreign earnings and, with them, acquire more capital and consumer goods from other countries. It would enable them to share in the economic growth that the industrial countries have experienced over the past decade.

Enactment of the GSP would help narrow the widening gap between the Northern "have nations" and the "have-not nations" of the Southern Hemisphere. Lastly, it will help decrease the defensive needs these countries now feel for high duties, strict exchange controls, and, in some cases, producer cartels.

The bill's GSP scheme would decrease the discriminatory effect of the preferential trading arrangements which have proliferated in recent years. Countries having such agreements which discriminated against U.S. exports would not be eligible to benefit from this program. On the other hand, the benefits of the program would be extended to the Latin American countries which now do not discriminate against U.S. exports in favor of those from other industrial countries. The key here is that we are trying to develop a trading system in which the industrial countries extend preferences to all or most developing countries and not just to those who are willing to grant discriminatory preferences in return. It is a step toward a more open trading system between the industrial and the developing countries.

The cost of this program would not be great. It is designed to benefit developing country exports of manufactured goods. While this is very important to the LDC's, it is estimated that imports to the United States due to this system would amount to only about 1 percent of our total imports of manufactured goods. Even then, there is an escape clause available to cover unforeseen circumstances.

The other area where the trade bill touches directly our relations with the LDC's is in the area of access to supply. In past trade negotiations, our emphasis has been on gaining access to markets for American goods. Since the oil embargo, we have become much more aware of access to raw material supplies. As we look at oil first, we then see a host of other commodities, especially minerals and certain tropical food products. The "commodity crunch" has created a new era for trade negotiations.

The United States is in the rather unique position of being both a raw material importer and a raw material exporter. As such, we can understand the position of the importers, most of which are industrialized countries, as well as the position of the raw material exporters, most of which are the LDC's.

The multilateral trade negotiations are coming at an opportune time. The raw material exporters have just realized their strength, and are beginning to flex their new muscles. Many at least are considering producer cartels for some of their raw material exports. Such cartels are not in our interest or, in the long run, in the best interests of the LDC's. The multilateral trade negotiations will offer the LDC's a forum where they can bargain on the basis of their advantages with the industrial countries, who will bargain on the basis of theirs. In the long run, both will benefit. Both groups of countries can bargain for the removal of each others trade barriers and for access to the supplies which are vital to them. The key here is that this bargaining is done in the context of an orderly negotiation, and not in the context of threats, ultimatums, or embargos.

I think it can be seen therefore, that one of the principal benefits from approval of the trade bill will be to bring the less developed countries into the world trading system as full participating and responsible members.

Lastly, I would be remiss in discussing the bill if I did not mention that the citizens of Oregon have a great stake in foreign trade. They recognize the need for meaningful trade legislation. We have many trade contacts from our State, principally with the Pacific rim countries. Japan's ties with Oregon are numerous in the trade area. Oregon businessmen who are knowledgeable in trade matters tell me and my staff that foreign businessmen and government officials all want to know when the United States will enact the trade bill. We in Oregon want to implement further international ties, in trade and in related areas. Until the trade bill passes, and the United States evidences leadership in the trade area, expansion of Oregon trade is more difficult. In the past, I have spoken in detail about Oregon's trade ties, and trade's impact in our State, and I will not do so again today. I will note, however, that this is not just a cerebral or intellectual issue. It is a "people issue," and it concerns jobs, and a host of other factors in Oregon.

In closing, let me repeat that the picture painted by the food statistics is grim. We must ease the shortage. Acting on a trade bill will create a framework that should help generate increased international attention to global food needs. A trade framework, with meaningful negotiations, mutual understanding, trust, and a willingness to try and meet the common goal, should stimulate accelerated international efforts to ease the world food shortages.

Mr. President, I ask unanimous consent that some recent newspaper articles on the world food situation, including one from yesterday's Washington Post, appear at this point in the RECORD.

There being no objection, the newspaper articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 15, 1974]

POOR NATIONS FACE STARVATION AS RICH ONES DELAY AID

(By Dan Morgan)

In India, the rains that fell on this spring's wheat crop were lighter than hoped, and in places there was drought.

But heavier rains would not have mattered; they fell on a crop already doomed not to fulfill its early promise because of unparalleled changes in the world's economy.

India's oil-import bill is up a billion dollars this year, and fuel shortages idled irrigation pumps in some parts of the country.

Worse than that, India suddenly found itself priced out of the world fertilizer market, so a million tons less than planned was applied to the land.

While the rich countries of the world bought up the high-priced fertilizer, or cancelled export contracts, India revised its early crop estimates downward. Instead of 30 million tons of wheat, India harvested only 24 million.

Then, when the country went into the international grain markets to make up some of the difference, it paid twice as much for a bushel of wheat as it had a year earlier.

The significance of this food, fuel and fertilizer price squeeze on India—as the world's other poor nations—is basic. More may die of hunger this year. Around the world, the United Nations says, 20 million people may starve to death in 1974.

India's food reserves are down to almost nothing. If the summer rice crop is poor, it may have to import still more to head off even worse malnutrition in the world's second most populous country.

But India does not have the money to buy much food on the commercial market. Its money reserves, now about $1 billion, are enough to last only three months.

The rising costs of basic commodities means that there will be much less left to buy the technology and techniques that are essential to economic growth.

This is also serious, because experts say the only sure way to control the population spread which brings on hunger is to build such growth. Some pessimists predict that India's economy will not grow at all between 1974 and 1980.

Thus, the price hikes threaten to undermine the gains of the "Green Revolution."

That revolution was promoted by rich countries. Those same countries are now embroiled in political maneuvering to see which if any, will take the first step to help.

Almost every expert agrees that massive loans on easy terms are needed. But the newly rich oil countries are wary that they might lose control of their funds if they join in any Western rescue effort; the United States is worried about the domestic impact of increased food aid, and the Europeans have their own problems with severe inflation.

While the oil-producing nations are raking in some $60 billion more in revenues this year, and the United States and other grain producers are profiting from the higher world prices for food, low-income countries have moved a step closer to economic ruin.

According to updated studies by the U.S. government and the World Bank, more expensive fuel, food and fertilizer will cause a net drain of at least $1 billion this year from the poor nations' foreign exchange reserves.

And officials in Washington concede that the United States, the European Common Market and the newly wealthy oil-producing countries are still months away from adopting a plan for a concerted rescue operation.

The rich countries, said one official, are engaged in a "fast-moving shell game," each waiting to see who will chip in first, and how much.

The Nixon administration, under increasing international pressure to take the lead, had not decided whether to expand its food aid sharply as its contribution to the relief effort.

Last Thursday Secretary of State Henry A. Kissinger's top adviser on the world food problem told senators he could not yet give an assurance the United States will undertake such a "major food initiative."

Such an initiative is essential leverage in getting the Europeans and the oil producers to follow suit, according to diplomats who

see a close link between the politics of oil and the politics of food.

Kissinger told the United Nations in April, "A global economy under stress cannot allow the poorest nations to be overwhelmed."

But fears of higher domestic food prices, and pressure to hold down this year's budget deficit have produced political caution. "We don't want another grain deal," said one official.

On June 28, the nine-nation Common Market cabled U.N. Secretary General Kurt Waldheim that it was prepared to give aid—provided "other industrialized countries," and the oil exporters, gave five-sixths of the total assistance, and the European share didn't exceed $500 million.

The European offer was "written like an insurance contract," said one U.S. official.

Other officials say the main thrust of the American effort on behalf of the hardest-hit countries should be to get the oil producers to lower prices. By removing its old restrictions on grain production in hopes of pushing food prices down, they say the United States has set an example which the oil exporters should now follow, with or without expanded American food aid.

American officials also want the oil exporters to come through with massive loans at easy terms for the stricken countries. So far, no oil producer has made a concrete commitment.

The once highly touted conference of oil producing and consuming countries, which was to have dealt in part with the problem, has been shoved far into the future, perhaps never to take place because neither the United States nor the exporting countries are anxious for a "confrontation."

Instead, attention is now focused on the Sept. 30 annual meeting of the finance ministers of the World Bank and the International Monetary Fund. The joint directorate, which includes oil countries, is expected to formally establish a "Joint Committee on the Transfer of Real Resources" to work on the problem.

The committee will deal with what World Bank officials call the "biggest and fastest shift of wealth in the history of the world."

The shift has struck at the world's poor countries in many ways.

The benefits of foreign development assistance have been eroded by the global inflation. Political support for increased foreign aid has sunk to a low point in Western countries hit by inflation.

To deal with their severe internal problems, industrial countries such as Italy are cutting back on their imports from the less developed countries.

According to still unpublished findings circulating in Washington, the possibility of some affected countries' offsetting the damage by forming cartels to market their minerals is limited.

That finding is challenged by some economists who predict mineral cartels like the oil producers' powerful price-setting organization will soon be a reality.

But according to World Bank experts, the benefits still will be small compared with the world oil bill.

In many cases, substitutes are available for the minerals, or other sources can be tapped.

Chile and Zaire can now take advantage of higher copper prices; Brazil can cash in on higher coffee, and iron ore revenues and Bolivia can get more for its tin.

World Bank experts contend that "even if they get together politically, the prices of those minerals will be eroded much faster than oil."

The shift of wealth has caused an erratic reordering of the world's money flow which is still not fully understood.

Not all poor countries have been seriously affected. Some, such as Afghanistan, have been only marginally set back because their predominantly rural economies don't yet depend heavily on energy from oil. Some rich countries, such as Britain and Italy, have been hurt badly.

Some modestly well-off nations, such as Costa Rica have been jolted unexpectedly, because of their heavy dependence on imported oil, while others whose economies were not far ahead, such as Venezuela, will triple their revenues from oil exports alone in 1974.

Officials in Washington say most rich countries can blunt the blow by exporting more technology and commodities, digging into reserves, or turning to commercial banking sources and international money markets.

Medium-income countries such as South Korea, Brazil and the Philippines—with per capita annual income of between $300 and $700—can weather the storm by scaling down their high rates of growth, tightning their belts, taking loans at commercial rates and seeking to increase exports.

However, those alternatives are not open to a number of other countries, now facing economic stagnation or even ruin, officials say. The most affected countries include South Vietnam, Cambodia, India, Bangdalesh, eight central African countries including Kenya, and some in Latin America, including Chile, Uruguay, Honduras and possibly Costa Rica.

The price impact is less disastrous than feared in January, government studies have concluded. But the impact will get steadily worse as the decade progresses, the same detailed studies show.

James P. Grant, president of the private Overseas Development Council, told a Senate panel Thursday that "barring major international action, the combination of quadrupling food and energy prices and the cutback on fertilizer exports dooms millions in these countries to premature death from increased malnutrition and even outright starvation."

He said the 40 poorest countries will have to pay some $3 billion more for essential imports than was foreseen a year ago.

"The lives of millions are threatened by the inability of the developing countries to purchase essential quanities of fertilizers—even as Americans are continuing to use scarce fertilizer for such clearly nonpriority purpose as lawns, golf courses and cemeteries in ever increasing amounts," Grant said.

A preliminary World Bank study issued in March shows low income countries will need additional capital of $2.5 billion to $3 billion a year between 1976 and 1980 "at highly concessional terms" to offset the higher costs of essentials.

The bank estimated that these same countries will experience an additional net drain of $1.4 billion this year and $1.9 billion next year—only a small part of which could be financed from reserves or loans.

Experts say countries with dwindling reserves are least able to take advantage of the various pools of capital which have been set up to cope with the wealth transfer.

The International Monetary Fund has established a special "oil" fund with a value of about $3.6 billion supported by a number of oil-producing countries. However, officials say the interest rates and payment terms would be beyond the means of many poor countries.

Last week, William J. Casey, chairman of the Export-Import Bank, said the deteriorating credit position of the underdeveloped countries could be a "factor that will reduce our loans" to them.

South Asian countries such as India and Bangladesh, with bleak possibilities of increasing their immediate export revenues, may be the hardest hit of all.

Several weeks ago, the Department of Agriculture's food intelligence service picked up reports that representatives of Bangladesh were shopping for 300,000 tons of wheat on the international grain market.

As of today, the sale has not taken place.

"They don't have any money," explained an American diplomat.

Indian monetary reserves are down to about $1 billion—an estimated three months' supply.

India has not yet officially sought a resumption of U.S. food sales on easy terms, which ended in 1971. As a result of India's explosion of a nuclear device May 18, congressional enthusiasm for increased aid to India is lukewarm.

Congress is considering an amendment to block Americans approval of "soft" loans through the International Development Association to countries which explode nuclear devices outside the controls of the nuclear non-proliferation treaty.

At a reecnt meeting of the World Bank's Aid to India Consortium, $1.4 billion in help was approved. The United States is offering $200 million through IDA, $75 million in bilateral foreign aid, $45 million in food giveaways and $29 million in debt refinancing.

[From the New York Times]

1974 WORLD FOOD PROSPECT SHAKY DESPITE U.S. HOPES

(By Kathleen Teltsch)

UNITED NATIONS, N.Y., June 20.—The new report to Senate committee that the needy in the United States are angrier and poorer than they were four years ago has raised doubts that a bountiful American harvest may forestall the threatened world food shortage.

In effect the report by a group of experts to the Senate Select Committee on Nutrition and Human Needs, published yesterday, makes it clear that neither increased spending nor raising agricultural output is sufficient answer, domestically or internationally, to an increasingly critical food problem.

Agriculture Department policy-makers had estimated a harvest of 2.1 billion bushels of wheat, which they insisted should be ample for domestic needs, put at 750 million bushels, and for a billion-bushel provision for profitable sales abroad—leaving a carryover of 350 million bushels for emergency foreign assistance.

However, economic analysts outside government and some members of Congress object that such calculations are perilously dependent not only on American harvests as good as forecast but on the absence of major crop failures in other grain-producing regions. World food stocks have fallen to their lowest levels in 20 years, it is emphasized.

And with population growing at 2 per cent a year and with raising pressure for richer diets, demand is increasingly outrunning productive capacity.

The immediate outlook abroad is not reassuring. Poorer countries such as India have had to cut back on fertilizer imports because of quadrupled prices and scarcities. The same is true for diesel fuel for tractors and for irrigation pumps. Capricious weather has damaged Soviet winter wheat, hit Ukranian fields with dust storms and slowed spring sowing in Canada.

"The world situation in 1974 remains more difficult and uncertain than at any time since the years following the devastation of the Second World War," the Food and Agriculture Organization concludes in a report for the World Food Conference to be held in Rome in November.

The difficulties and uncertainties cited by the United Nations specialized agency are reflected in a survey by The New York Times, which also suggests that sketchy and frequently contradictory information is being

provided by many governments because of pride or politics or simply inadequate data.

INDIA SEEKS WHEAT

According to New Delhi officials, India will be able to meet food requirements without much difficulty; they assert that there is no dearth of fertilizer and no danger of famine. At the same time an Indian supply mission has been sent to Washington to buy as much wheat as possible to offset deficits expected to reach 10 million tons.

The food agency warns that the drought-ravaged countries extending in a wide belt across Africa south of the Sahara are experiencing acute shortages and that drought is spreading east and south and can be expected to reduce harvests in Dahomey, Egypt, Guinea, Kenya, Nigeria, Somalia, Tanzania and Zaire. However, some qualified authorities returning from the area south of the Sahara say original estimates that 10 million people were threatened by famine were grossly inflated.

"Photographs of bleaching animal carcasses in the desert, which are offered around as current evidence, are no longer valid and the situation has improved radically," according to Dr. Pascal J. Imperato, First Deputy Commissioner of the New York City Health Department, who recently revisited the area, where he had spent five years.

He and others acknowledge that foreign assistance will be needed for years. A new United States report said it would take decades after the emergency relief phase to carry out rehabilitation and irrigation projects to halt the deserts's advance.

SUPPRESSION CHARGED

Some relief experts here note that the full dimensions of the famine last year in Ethiopia were suppressed by the Cabinet in Addis Ababa—since ousted—and maintain that United States officials were lax in reporting the disaster because they were unwilling to antagonize the Ethiopian Government.

Concern for the Indian subcontinent and the sub-Sahara area in Africa prompted recent warnings by the director of the United Nations Children's Fund, Henry R. Labouisse, that 400 million to 500 million children were threatened by severe malnutrition. For the first time in many years there are reports of severe malnutrition in Central America.

Theoretically, according to the experts, global grain production of 1.2 billion tons should be enough to meet minimum needs if supplies were spread evenly, which, of course they are not. To attain bare minimums for the 30 to 40 poorest countries would require radical cuts in consumption in affluent countries, which consume a ton of grain per capita a year, mainly as feed grain to build costly protein in meat, milk and eggs. The prospect of such redistribution is slim.

The first signal that the world was once again veering toward a food crisis came in 1972, when disastrous weather cut production in the Soviet Union, China, India, Australia, Southeast Asia and the sub-Sahara region.

The Soviet Union, which in previous shortages had tightened its belt, chose to go to the world market, largely for feed grains for expanded livestock production. It was principally its purchase of 20 million tons from the United States that pulled down American reserves and pushed prices up.

SOVIET SETBACK REPORTED

Any assessment of this year's food outlook is complicated by the Soviet practice of withholding forecasts and China's refusal to disclose output. Recent reports have said winter wheat was hard hit by bad weather in the Soviet Union and spring planting delayed. So far there has been no indication, according to American agricultural experts, that Moscow will again be buying on the world market.

Although 1973 was a good year and the United States put idle cropland back under the plow, reserves have not been rebuilt. The experts, maintaining that the shortages are not the result of temporary conditions such as the poor 1972 weather, point to long-term trends that are not yet fully understood. They suggest that the world food economy, after decades of abundance—albeit maldistributed, so that many were hungry while some had surpluses—is moving into an era of chronically tight supplies.

Scarcities are developing because the global system is overloaded, according to the Overseas Development Council, a private group. As growing populations and improved diets raise demand, it notes, prices soar and competition for scarce energy and fertilizer intensifies.

The United States has had an agreement with the fertilizer industry since October barring new export sales, which is having damaging effects, particularly on developing countries.

While Agriculture Department spokesmen tend to belittle gloomy forecasts on world output, the F.A.O. report supports the gloom to the extent of estimating that by 1985 the poorer countries will face grain shortages they will be unable to meet with imports. Assuming that increases in population and demand will continue, the agency estimates that by then the majority of developing countries will be left with a big cereals gap.

Senator Hubert H. Humphrey recently proposed a food action program that has bipartisan support. Formulated after consultation with Secretary of State Kissinger, it could be a basis for American policy at the Rome conference.

BIG RISE IN AID URGED

The program, elements of which will stir domestic opposition, urges substantial increase in assistance to needy countries, which has been scaled down as American surpluses disappeared, calls for helping the poorer countries increase production and provides for participation in a global system of food reserves.

Many proposals are being offered to ease the food shortage, ranging from the advice of the economist Barbara Ward that the more affluent forgo a hamburger a week, to the urgings of Dr. Jean Mayer, the nutritionist that a worldwide campaign restore breast-feeding. Another proposal is that the family pet be fed with scraps from the table instead of commercial food, a $1.5-billion item in the American budget. Senator Humphrey is appealing to Americans to change their rich diet and affluent life-style to save grain and asking that the three million tons of fertilizer spread on lawns and golf courses be sent abroad.

Some of the suggestions evoke from specialists the reaction that they would be merely symbolic. Among farm interests there is fear that the principal effect of big crops and reduced domestic consumption would be a sag in prices. "It's tough to make the bread and gravy come out even," a farm spokesman remarked.

[From the New York Times]

EXPERT FINDS APATHY IN FERTILIZER CRISIS

UNITED NATIONS, N.Y., June 20.—Dr. Norman E. Borlang, the noted developer of high-yield grains, said here last week that during a recent tour of Asia and Africa he found few governments concerned about the need to accelerate fertilizer production.

During an interview after his four-and-a-half-month tour, he explored this apathy, saying that action could mean staving off famine for millions.

He said that the Chinese were an exception, building more fertilizer plants than any other country. The Chinese he said, have put leading Japanese and American concerns under contract to help.

$7 BILLION NEEDED

Dr. Borlaug, often called the father of the green revolution, a rice development, which brought him the Nobel Peace Prize in 1970, estimated that it would take an annual investment of $7-billion to $8-billion to meet increased demands for fertilizers. The estimate covers the costs of additional nitrogen-producing factories, the operation of potash and phosphate mines and the costs of distribution.

A major problem, the agronomist said, is that there is a shortage of chemical engineers trained for this kind of technology.

"Governments willing to spend $220-billion yearly for destructive armaments should be willing to invest in securing more food for their people," he declared.

Dr. Borlaug said the green revolution was never expected to solve the food problems for an expanding population but to "buy time" while governments acted to stabilize what he called this "monstrous population growth."

Instead, he complained, governments have frittered away the time. He said he looked on the possibility of increasing fertilizer production as a chance to "buy more time."

The vastness of food needs in terms of population increases is not something people grasp easily, he said. He likened global grain needs to a highway of grain stretching around the world at the Equator, 55 feet wide and 6 feet deep. Each year, the population grows by 76 million and that means annually adding a 625-mile link for a second highway.

A FIGHT ALL THE WAY

He said he believed that with technology progress could be made in feeding the world and averting famine but "it's a fight every step of the way."

Dr. Borlaug noted that the world was lulled into a false complacency about its food stocks because it had abundant supplies at its disposal for decades before 1972, and the United States, Canada, Australia, France and Argentina were warehousers, brokers and bankers. A sudden need such as that in 1967 caused by India's drought, could be handled by such reserves.

He said that in 1971 the United States, under domestic pressure to reduce the cost of carrying big surpluses, had cut back on acreage.

Mr. HATFIELD. Mr. President, before ending these remarks, I want to note publically the fine work done in marshalling support for the bill by William Eberle and his able staff. While there is credit to be passed around on this matter, I know that Bill Eberle has lived and breathed this bill for these past months.

DIRECT INVESTMENT

One aspect of trade concerns the issue of direct investment in the United States. Recently, a speech on this topic was given by Mr. William Givens, president of Twain Associates. Mr. Givens has had an active career in international business matters, and was a key participant in the recent study by the Boston Consulting Group on the Prospect for Japanese Direct Investment in the United States. It is this subject area that was the topic of Mr. Givens speech in New York before the Japan Society. He addressed his comments to the subject of "A Perspective on Japanese Investment in the United States: Through a (Recession) Glass, Darkly." Mr. Givens raises some important points in his speech, and one need not agree with every point to recognize the importance of thinking about this issue. Since during debate on the trade bill is a proper time to reflect on the issue of direct investment, I ask unanimous consent that Mr. Givens' speech appear at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

A PERSPECTIVE ON JAPANESE INVESTMENT IN THE UNITED STATES: THROUGH A (RECESSION) GLASS, DARKLY

(Remarks by William L. Givens)

My purpose today is to look briefly with you at the phenomenon of Japanese direct investment in the United States, not only as it apepars under current conditions, but also as it might appear after the recession. Perhaps I am being premature in trying to see beyond the recession, when our Administration in Washington has so recently discovered that we have one. However, I happen to be a firm believer in the longer view, and I feel such a perspective will be particularly valuable in the development of Japanese investment here.

I want to make three principal points in these remarks:

That Japanese direct investment is potentially a major factor in the U.S.-Japan relationship;

That the prospect for such investment has not been destroyed by the developments of the past year;

That, despite their great potential, the long-range success and viability of these investments, taken as a group, is still in some doubt.

Let us first set a broad context. The United States and Japan are the two largest capitalist economies in the world. The relationship between them, however hard we may have tried to make it a military alliance, is essentially and irrevocably an economic one, and is symbiotic in some very important respects. One does not have to agree entirely with Herman Kahn to expect that Japan's relative position, even at reduced rates of growth, is still more likely to be enhanced than to diminish with the further passage of time. It seems entirely possible that, as we approach the end of this century, the United States and Japan will be in a class to themselves in economic scale, sophistication, and influence. For better or worse, further expansion of the already massive economic intercourse between them is inevitable.

Clearly, a collaborative relationship between these two economic giants can generate enormous benefits to the peoples of both countries. Conversely, an antagonistic or adversary relationship will be extremely costly to both sides. The true body of this relationship will be at the private, not the Governmental, level, and will be the composite of its individual corporate relationships. Its strengths and weaknesses will be their strengths and weaknesses: its quality will be their quality, no better and no worse.

I would also contend that Japan's foreign investment, in the United States and elsewhere, represents far more than simply an *ad hoc* expedient to work off a temporary foreign exchange surplus. It is, rather, the next logical step in the long-range development of a dynamic economy which has grown too large for the narrow confines of the Japanese islands. Through the 1960's, the Japanese homeland functioned essentially as a huge factory, importing raw materials and exporting a broadening array of increasingly sophisticated manufactured goods. Japan's external economic activity was confined largely to that import-export trade and the purchase of foreign technology; its main preoccupation was internal—in raising living standards and improving the productivity of the "factory".

The remarkable success of this approach needs no elaboration. However, by the early 1970's, industrial pollution, energy and material shortages, labor developments, and chronic protectionism and frictions in Japan's major overseas markets had introduced some rather insistent limitations on the continued successful growth of "Japan-as-a-factory". For both individual corporations, and the economy as a whole, it has become apparent that an increasing proportion of Japanese business and industrial activity must be based outside of Japan if the full potential of Japanese economic development is to be achieved. What I think we may be seeing, then, with the recent rise of Japanese investment overseas, is the beginning of a new phase in which Japan itself will function less exclusively as a factory and increasingly as the headquarters of a more broadly-based international business and industrial system. The principal vehicle for this shift, of course, will be direct investment abroad.

This strikes me as a critically important transition for Japan, since the alternatives to it are either seriously curtailed growth on the one hand, or the continued exacerbation of the "Japan-as-a-factory" syndrome of energy, pollution, and protectionist problems on the other. To the extent that it is accomplished skillfully—that is, that Japanese corporations manage to shift a portion of their activities successfully into other economies—they can alleviate many of their chronic difficulties while continuing to grow and prosper. In the United States, Japanese direct investment can accomplish a number of useful purposes:

It can transfer a portion of Japan's production into one of its principal export markets, relieving protectionist pressures in the U.S., and energy, pollution, and labor constraints in Japan.

It can give Japanese interests an influential role in the development and processing of those American natural resources which are major imports for Japan.

It can provide Japanese industry with earlier access to U.S. technology, as well as an opportunity to contribute to and influence the development of this technology, and to participate more fully in its commercial application.

It can open a wide variety of profitable outlets for the diversification of Japanese industry, and for the expansion and development of Japanese entrepreneurial resources in both industrial and service activities.

At the same time, these investments can benefit the United States very substantially, contributing jobs, taxes, technology, productivity, entrepreneurial skills, and competitive impetus to our economy. Joint activities between Japanese and American companies can produce valuable combinations of resources, technologies, and managerial talent.

What has the recession done to the prospect for these investments? To the long-term outlook, very little, I should think. Certainly the developments of the past year have not removed any of the underlying pressures which have motivated Japanese business and industry to move abroad, and, in some instances, have intensified them. As to the short range, we simply don't have enough current, hard data to judge with much precision, at least with respect to the gross volume of these investments, although considerable activity is still apparent.

Some points, however, do seem obvious. The recession will not, for example, affect all prospective investors alike. Generally speaking it will tend to intensify and accelerate the natural competitive trends and forces, and will be much harder on the weaker competitors than on the stronger. It will reduce the number of competitors, both American and Japanese, who can or will move aggressively to enlarge or diversify their activities, and will thus create unusual opportunities for the expansion and consolidation of positions by those who can.

Marginal Japanese competitors during this period of stress will, of course, be preoccupied with survival, and will not be a factor in the U.S. investment scene. Others will have the resources to invest here, but will lack the interest or the initiative. Others, however, will have both the means and the will, and these should emerge from the recession in a most favorable position. For these stronger competitors, then, the recession can be a period of opportunity and expansion and the long-term pattern of Japanese investment here will depend to a considerable extent on how aggresively and how wisely they act.

How successful will Japanese corporations be in integrating their investments into the United States economy? In approaching this question, it is important that we acknowledge realistically that there is a political dimension to any foreign investment activity, anywhere, which sets it apart from otherwise similar domestic activities, and that that political dimension is particularly strong with respect to Japanese investments in the United States. American attitudes toward Japanese business activity are a complex mixture of positive and negative factors, with the mix and balance constantly subject to change. Some persistent negative factors—residual wartime animosities, racial and nationalistic biases, and chronic trade frictions—have begun to be offset in recent years by a growing recognition of and respect for Japan's economic accomplishments and their potential value to the United States.

My own view, based on rather extensive research and observation, is that the climate for Japanese investment in the United States has reached a point where such investments will be received more or less pragmatically, on the basis of their perceived value to the communities where they locate and to the American economy as a whole. But beneath this surface pragmatism there still remains an undercurrent of negative bias, a predisposition to see Japanese business as nationalistic, overly aggressive, and insensitive to American interests.

This underlying bias will tend to aggravate and magnify the routine frictions inherent in operating any business and will render Japanese investments considerably more vulnerable to adverse popular, competitive, and even legislation reaction than U.S.-owned enterprises would be in similar circumstances. There have already been enough instances of such reaction to suggest to the prospective Japanese investor that successful business planning will not suffice; political risk, also, must be accounted for and steps must be taken to minimize it.

This means that the most careful attention must be given to the longer-range political viability, not only of individual investment activities, but, in the case of the larger investor, of the firm's overall posture in the United States. Certain kinds of investments involve a high degree of political risk. In particular, the following kinds of investments will tend to be inherently friction-prone and unstable:

Those activities which exploit, or appear to exploit, American natural resources, markets, or technology without contributing some adequate (in the popular perception) compensating benefit to the U.S. economy or sharing in the risk and expense of development;

Those which involve a large and obtrusive Japanese presence in either a community or a U.S. industry;

Those which tend to be economically disruptive in some way, artificially inflating real estate prices, for example, or aggravating local commodity or labor shortages;

Those which involve outright, large-scale purchases of U.S. lands, conveying the impression that foreign interests are "buying America".

I would emphasize strongly here that I am not suggesting that investments with these characteristics should be categorically avoided. Some element of risk or friction will be involved in even the strongest investment; the only way to avoid risk altogether is not to invest at all. What I am suggesting is that the Japanese investor should be par-

ticularly cautious in these sensitive areas, and that too high a degree of political risk is unwise and unnecessary.

It is possible, in my view, for a Japanese firm to develop an investment or pattern of investments, in the United States which is competitively strong and financially profitable, yet is basically unstable and unsound owing to excessive involvement in activities of high political risk. Similarly, I believe it is possible for the overall pattern of Japanese investment in the United States to evolve, through inadequate planning at the corporate level, into a condition of generalized instability, and ultimately to become a political liability.

Conversely, I believe that both individual Japanese investments and the overall body of Japanese investment, as well, can be established in a very solid position in the United States, even to the extent of becoming an acknowledged asset, provided only that the selection and planning of these investments is done with care and a reasonable degree of sophistication. The political risks which I have referred to are usually predictable in advance. In many cases, they can be minimized or eliminated altogether by careful planning—by altering the location or form of the investment, by skillful public information activities, or by a judicious choice of U.S. associates. In others, they can be offset by positive economic benefits which the investments bring to the communities where they locate.

Overt negative reaction to Japanese investments in the U.S. has thus far been limited, and that is a good sign. It means, if nothing else, that most Japanese-managed activities have so far integrated well at the local and personal levels. However, the adverse reaction which we have seen has occurred largely in those areas where Japanese investments have developed in greater concentrations, and that may be a bad sign, for it suggests similar problems may occur elsewhere, as well, as the volume of activity continues to increase.

It is too soon to predict how the overall pattern of these investments may develop; it is still small, inchoate, and growing quite rapidly. As noted earlier, it is the product of many individual transactions, and thus is constantly changing as new investments are made. However, the rate of change will slow with growth, and the quality, character, and viability of the pattern will simultaneously become increasingly important and more difficult to influence as it grows in size, visibility, and impact.

With this in mind, some observations may be in order on what I feel may prove to be vulnerabilities in the Japanese investment pattern as it has developed in the U.S. thus far. First, with the notable exception of the large Japanese manufacturers shifting production capacity into the United States, much of the activity appears to be random, with individual investments having been made more or less as opportunities have presented themselves. Few Japanese companies appear to have developed a central plan or focus for their investment activities here, or to have considered seriously how their various investments may grow and combine to shape their strategic postures in the United States, over time. One large and successful Japanese industrial firm of which I am aware has made three investments in the United States: a hotel, a cattle-feeding operation, and a Japanese restaurant. Individually, all of them are currently profitable, and all appeared to be "bargains" at the time the investments were made. However, taken together, they have placed the investor into a series of widely dispersed, small businesses in which it has no particular background or expertise, and is unlikely to attain a leading U.S. position in the future. Thus, a large Japanese manufacturer has assumed the posture in the United States of a small-scale venture capitalist.

Second, many Japanese investors, particularly those who are diversifying into the United States, seem to be attracted to business activities in which entry barriers are low—that is, where capital, personnel and technological requirements are modest—apparently in the belief that these conditions make for easy competition. Similarly, they tend to enter businesses and locate in areas where Japanese investments already exist, in the belief that these activities have been proven "safe." Restaurants, hotels, and real estate development, particularly in New York, Hawaii, and California are popular investment targets in this category. They represent obvious and "easy" channels for the inexperienced Japanese investor to enter the U.S. economy. In practice, of course, the "easy" businesses and "safe" locations are the most likely to be overcrowded, leading to intense competition, greater local frictions, and higher risks. Investments planned with originality and initiative in business activities where entry barriers are somewhat higher will offer much greater potential at far lower risk in the longer range.

Finally, sensitivity to the political dimension I referred to earlier has been spotty, at best. Corporate investment decisions, large and small, are made on the basis of purely business criteria, without regard to any but the most obvious and immediate political risks. Long-term and cumulative risks—potentially the most ominous—appear to be virtually ignored. To the extent that political or public relations implications are considered, the thrust is essentially defensive—that is, toward avoiding frictions—rather than positive, toward building a solid position in the United States.

These impressions raise some uneasy thoughts in my mind. One is a sense of uncertainty as to the real strength and stability of the current pattern of Japanese investments here, and its suitability as a foundation for future growth. I suspect, without knowing, that it is politically vulnerable, at least in the sense that it has developed no significant reservoir of positive support which would tend to offset opposing interests in a confrontation.

To borrow a Japanese term, it seems to me that if Japanese investment is to realize its true potential here, it must build a *jiban* in the United States, a constituency of U.S. interests at the local, industry, and national levels which will identify with and support these activities out of a pragmatic regard for their contributions to American interests. Without this *jiban*, Japanese investment in the U.S. will remain perpetually in a tenuous state, its growth potential limited and its future unsure.

I further suspect that the random nature of this activity, combined with the tendency to cluster in a few familiar locations and businesses is resulting in a long-term opportunity loss which is enormous.

I would hope that the more aggressive and far-sighted Japanese competitors would see both the potential risks in the current pattern and the opportunity to build a major position in this economy through a more sophisticated approach.

I would like to see more Japanese investors emerge who will not simply scramble in the pit for finite supplies of scarce American natural resources, but rather will invest in production and processing capacity addition to help alleviate the shortages.

I would like to see more Japanese investors emerge who will not shop for proven U.S. technology to buy or license, but rather will invest at the developmental stage, sharing in both the risks and the rewards.

I would like to see more Japanese investors emerge who will forego the hotel in Los Angeles and the restaurant in New York for a manufacturing, processing, or R&D activity in Atlanta, Hartford, or St. Paul.

In short, I would like to see the emergence of an effective leadership segment among Japanese investors here which, as we proceed through and beyond the recession, will make basic, long-term commitments to a U.S. position and implement cohesive investment strategies with initiative and sophistication.

That is the way the *jiban* will be built. I believe it can benefit us all.

The PRESIDING OFFICER. Who yields time?

The Senator from Louisiana has 4 minutes remaining.

Mr. LONG. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. HELMS. Mr. President, I move to table.

The PRESIDING OFFICER. The question is on the motion to table the conference report.

The motion was rejected.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. GRIFFIN. Mr. President, was the time for this rollcall limited to 10 minutes?

Mr. ROBERT C. BYRD. Mr. President, it was. I ask unanimous consent that the time on this single rollcall be limited to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUGHES (when his name was called). Mr. President, on this vote I have a pair with the distinguished Senator from Washington (Mr. JACKSON). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Georgia (Mr. TALMADGE), and the Senator from Washington (Mr. JACKSON) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I further announce that, if present and voting, the Senator from Idaho (Mr. CHURCH), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL),

the Senator from Oklahoma (Mr. BELLMON), the Senator from Tennessee (Mr. BROCK), the Senator from New Jersey (Mr. CASE), the Senator from Kentucky (Mr. COOK), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Florida (Mr. GURNEY), the Senator from Illinois (Mr. PERCY), and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. FONG) and the Senator from Maryland (Mr. BEALL) would each vote "yea."

The result was announced—yeas 72, nays 4, as follows:

[No. 578 Leg.]

YEAS—72

Aiken	Griffin	Nunn
Allen	Hansen	Packwood
Bartlett	Hart	Pearson
Bayh	Haskell	Pell
Bennett	Hatfield	Proxmire
Biden	Hathaway	Randolph
Brooke	Helms	Roth
Buckley	Hollings	Schweiker
Burdick	Hruska	Scott, Hugh
Byrd, Harry F., Jr.	Huddleston	Scott, William L.
Byrd, Robert C.	Humphrey	Sparkman
Cannon	Inouye	Stafford
Chiles	Javits	Stennis
Clark	Kennedy	Stevens
Cotton	Long	Stevenson
Cranston	Magnuson	Symington
Curtis	Mathias	Taft
Dole	McClellan	Thurmond
Domenici	McGee	Tower
Dominick	Metzenbaum	Tunney
Eagleton	Mondale	Weicker
Fannin	Montoya	Williams
Fulbright	Moss	Young
Gravel	Muskie	
	Nelson	

NAYS—4

Abourezk	McClure	Metcalf
Hartke		

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Hughes, against

NOT VOTING—23

Baker	Eastland	Mansfield
Beall	Ervin	McGovern
Bellmon	Fong	McIntyre
Bentsen	Goldwater	Pastore
Brock	Gurney	Percy
Case	Jackson	Ribicoff
Church	Johnston	Talmadge
Cook	Laxalt	

So the conference report was agreed to.

Mr. PELL. Mr. President, during the debate on the trade reform bill (H.R. 10710), I expressed strong opposition to section 408 placing restrictions on Czechoslovakia and urged that it be deleted. Consequently, I am most disappointed that restrictions remain in the bill after Senate passage even though in modified form.

I think it is unfortunate for the bill to discriminate as it does against the Czechoslovak people, with whom Americans have always had such close and friendly ties despite the governments or administrations that come and go.

Between the great wars, the Czechoslovaks made their country a showpiece for the democratic process as providing maximum material benefits with minimum restrictions on individual freedom. We sorrowed with them when Munich destroyed their nationhood. We admired their struggle against Nazi occupation and rejoiced when after World War II, national independence seemed to have been restored. Our regret was great when Czechoslovakia fell behind the Iron Curtain. We shared the hopes and brightening prospects in 1968 of the Prague Spring soon blighted, however, by a Moscow winter despite heroic Czech resistance.

The point I wish to make is that while I am all for getting the most favorable settlement possible for American claimants, the beneficiaries of section 408, I do not think that the trade bill, dealing as it does with much broader national interests between peoples, is the place to do it.

Twice now Czechoslovakia has negotiated in good faith to reach a claims settlement, to which we have attached a really irrelevant condition, the return of gold originally seized by the Nazis and belonging to the Czechoslovak people. We now ask that a third attempt be made.

In the light of this background, I urge a generous interpretation of section 408 and that progress toward a new settlement not be held up by negotiations involved in the implementation of the trade bill itself. I think we owe as much to our national reputation for fair dealing and out of consideration for the legitimate rights of our friends, the Czechoslovak people.

THANK YOU FROM SENATOR BENNETT

Mr. BENNETT. Mr. President, I have 1 minute. I simply wish to use it to express my appreciation to my colleagues for the kind things they said yesterday about my service to the Senate, which will end this afternoon when the Senate adjourns sine die.

I am happy that my last activity has been on this monumental trade bill, which I hope the Senate will accept.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the social services conference report there be a 10-minute time limitation to be equally divided between Mr. LONG and Mr. CURTIS.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order.

APPOINTMENT BY THE PRESIDING OFFICER

The PRESIDING OFFICER (Mr. MCCLURE). The Chair, on behalf of the Vice President, in accordance with Public Law 85-474, appoints the following Senators to attend the Interparliamentary Union Meeting on European Cooperation and Security, to be held in Belgrade, Yugoslavia, January 31–February 7, 1975: The Senator from Louisiana (Mr. LONG), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Indiana (Mr. HARTKE), the Senator from Montana (Mr. METCALF), the Senator from Indiana (Mr. BAYH), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Oklahoma (Mr. BELLMON), and the Senator from Vermont (Mr. STAFFORD).

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, may we proceed with the conference report? The Senators are waiting.

SOCIAL SERVICES AMENDMENTS—CONFERENCE REPORT

Mr. LONG. Mr. President, I submit a report of the committee of conference on H.R. 17045, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of today.)

Mr. LONG. Mr. President, generally speaking, we succeeded in getting the House to accept major items in the social services bill pretty much in line with the way the Senate recommended it. The conference report is a compromise but, I think, a good compromise from the Senate's point of view.

The enactment of this social services measure, Mr. President, is the culmination of a great deal of work by the Senator from Minnesota (Mr. MONDALE). Early in 1973, when social services first became an issue, Senator MONDALE showed his leadership in proposing legislative solutions to the problems. The fact that we are today sending a bill to the President is largely due to his efforts, and I think that all persons receiving social services, as well all States, localities, and organizations providing those social services should be well aware of his responsibility for our reaching a legislative solution. He is a valuable member of the Committee on Finance, and was a valuable Senate conferee.

Mr. President, the Senate amendment to H.R. 17045 had three parts. The first part represented a substitute for the House bill dealing with social services under the Social Security Act. The second part provided a tax credit for low-income workers with families. The third part contained provisions for a strengthened Federal and State role in child support collections.

So far as social services are concerned, the conferees examined the issues in detail and reached what seems to me to be a fair, reasonable, and workable compromise. Basically, we agreed to follow the lines of the House bill, but we made some important changes which strengthen that bill considerably.

For example, the House bill had no provision for mandatory services to the