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participation, and control of neighborhood renewal by local citizens; second, the involvement and supervision by the local legislative body; third, the required consent of 60 percent of the property owners of the area for the final go-ahead; fourth, the encouragement of the use of modern housing technology by suspension of local building codes more restrictive than minimum State standards; and fifth, the self-help principle and the enlisting of private enterprise to overcome the housing problem.

Mr. President, once again my State has advanced a very unique and a very imaginative proposal. This is the second occasion in 2 years when this has been done. Last year, for example, they enacted a bipartisan package of programs in the manpower area and to enable them to implement this program better, I authored an amendment to title V of the manpower development and training program called supplementary State programs. This program was designed to give the States freedom and flexibility in the manpower area and was framed so that gaps and coordination problems might be overcome. The previous administration failed to budget any funds for this program but I was able to persuade Secretary Shultz and the Labor Department to provide an additional \$20 million for this program. I understand that a considerable number of other States are extremely interested and, therefore, I was exceedingly disappointed when the House of Representatives failed to provide the funds for this needed program designed to encourage States in the important manpower field.

Assembly bill 115, is a similar imaginative approach in the housing area and once again shows that States can and will face up to their responsibilities. Given the housing backlog and needs of the Nation and the budgetary problems we face, the Federal Government through the guaranteeing of obligations issued by local agencies, authorized to do so by the various States, would seem to be a most practical needed and welcome additional effort to meet the housing needs of the Nation and California.

Mr. President, I ask unanimous consent that the assembly joint resolution memorializing Congress to enact such legislation, as I am introducing today, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection the joint resolution of the California Legislature will be printed in the RECORD.

The bill (S. 2774) to amend title III of the National Housing Act to authorize the Government National Mortgage Association to guarantee obligations issued by State agencies to finance low- and moderate-income housing introduced by Mr. MURPHY, for himself and Mr. CRANSTON, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The material presented by Mr. MURPHY is as follows:

ASSEMBLY JOINT RESOLUTION No. 57

Whereas, In 1968 the California Legislature enacted into law as Chapter 1392 of the Statutes of 1968 Assembly Bill No. 115,

introduced by Assemblyman Robert T. Monagan; and

Whereas, Such Chapter 1392 establishes a program to make it possible for residents of substandard and deteriorated housing areas to form renewal area agencies in their neighborhoods, issue tax-exempt bonds, and, by working cooperatively with local governments, plan, finance, and carry out necessary rehabilitation or rebuilding in the renewal areas; and

Whereas, Such program will alleviate some of the economic forces which tend to drive low-income residents out of their neighborhoods; and

Whereas, Congressman William S. Mailliard has introduced HR 11596 before the Congress of the United States, which bill, if enacted, will authorize the extension of federal mortgage guarantee to bonds of a type issued under the program established under Assemblyman Monagan's bill; and

Whereas, Such mortgage guarantee is urgently needed to expedite the rebuilding and rehabilitation of neighborhoods under renewal area agency programs; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California memorializes the President and the Congress of the United States to enact legislation to authorize the extension of federal mortgage guarantee to bonds of a type issued under Assemblyman Monagan's bill; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Departments of Housing and Urban Development and Health, Education and Welfare, to the Chairman of the House Banking and Currency Committee, and to each Senator and Representative from California in the Congress of the United States.

Mr. CRANSTON. Mr. President, by now, the plight of Americans with low income residing in the central city is well known. We all have heard of the Kerner Commission report, the Kaiser Committee report, and various other studies telling of the desperate situation of millions of Americans.

One of the most critical facets of the urban problem is the serious shortage of decent housing for low- and moderate-income inhabitants of the inner city.

There are various Federal programs now in effect which were designed to help alleviate some of these housing problems. However, because of Vietnam, inflation, and heavy defense spending, adequate funds for these programs have not been allocated by the administration nor appropriated by Congress. Obviously, we cannot afford to wait for an end to the Vietnam war, an arresting of inflation, or congressional curbs on defense spending before taking steps to get decent housing for millions of needy Americans.

Since adequate Federal funds for urban housing may not be forthcoming in the immediate future, efforts must be made to obtain as much support as possible from the private sector.

Moreover, a special effort must be made in order to involve the members of the community in the planning of their urban renewal program.

Last year the California Legislature enacted a bill which in my opinion will help accomplish both of these objectives. Under that law residents of a designated urban renewal area would be al-

lowed to come together and form a mini- or community urban renewal agency. This miniagency would allow residents of the community to formulate plans and provide financing for the development of their own community. The money would be made available through the sale of tax exempt revenue bonds by the miniurban renewal agency.

Security experts have warned that these bonds would not be marketable unless some form of Government guarantee is provided.

Today, I am cosponsoring a bill being introduced by my distinguished colleague from California which would make it feasible for residents of urban renewal agencies to finance their own urban renewal programs by selling bonds as allowed under the California law.

Under this bill the U.S. Government would guarantee bonds, notes, and debentures issued by a public agency for the purpose of financing any urban renewal area project which has as its objective the rehabilitation or construction of housing for persons and families with low and moderate incomes.

This guarantee would not be at all burdensome on the Government and would indeed be a small price to pay toward the efforts to rebuild our cities.

Clearly, this bill provides a unique opportunity for the Government to assist the local communities to assist themselves in solving one of the most critical problems facing our urban areas.

S. 2775—INTRODUCTION OF A BILL TO BE KNOWN AS RUMANIAN TRADE ACT OF 1969

Mr. MONDALE. Mr. President, at the conclusion of President Nixon's visit to Rumania, he and President Nicolae Ceausescu issued a joint United States-Rumanian statement:

The two heads of state devoted particular attention also to the economic relations between their countries. While noting the upward trend which these relations have displayed in recent years they also agreed on the need in the interests of both countries to develop and diversify the economic ties between the United States and Romania. In this connection it was agreed to look for new ways of realizing the potentialities which this important field offers.

Today, I introduce the Rumanian Trade Act of 1969 with the hope that it can provide a new way of realizing increased trade and economic ties between the United States and Rumania. The joint Presidential statement creates an atmosphere conducive to returning the United States-Rumanian trade relationship to the normal most-favored-nation status.

With the exception of Yugoslavia and Poland, Eastern European nations pay the prohibitively high Smoot-Hawley rates for their products. If Eastern sellers reduce their prices in order to overcome the tariff barrier, they are subject to the sanctions of antidumping legislation. The lack of most-favored-nation treatment, a routine concession to most nations of the world, is a serious barrier to U.S. participation in East-West trade.

The most-favored-nation clause has been gradually extended to most of the Eastern countries by a very large num-

ber of Western countries. Refusal to apply it may be regarded as an exception except in the case of the United States.

Last year U.S. exports to Rumania totaled \$18 million, more than three times the \$6 million in U.S. imports from Rumania. The United States enjoys a favorable balance-of-trade in Eastern Europe, and the volume of favorable trade could be increased considerably if we restored normal trading terms. A high Rumanian trade official told me last year that lack of most-favored-nation treatment by the United States means that Rumanian exports are directed to Western Europe, thereby limiting the potential for import of goods from the United States.

This bill gives the President the authority to extend most-favored-nation tariff treatment to Rumania when it is determined to be in the national interest. The authority can be exercised only on a commercial agreement and the granting of MFN would be in return for equivalent benefits to the United States.

The Rumanian Trade Act of 1969 responds to the spirit of the President's visit to Rumania. I hope that we can use this most opportune moment to put our economic relationship with another Eastern European nation on a normal basis.

Mr. President, I ask unanimous consent that the Rumanian Trade Act of 1969 be printed in the RECORD and be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2775) to promote the foreign policy and best interests of the United States by authorizing the President to negotiate a commercial agreement including a provision for most-favored-nation status with Rumania, introduced by Mr. MONDALE, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2775

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

SHORT TITLE

SEC. 101. This Act may be cited as the "Rumanian Trade Act of 1969."

STATEMENT OF PURPOSES

SEC. 102. The purposes of this Act are—

(a) to maintain United States objectives in building a peaceful, democratic world;

(b) to promote constructive relations with Rumania and to provide a framework helpful to private United States firms conducting business relations in Rumania by instituting regular government-to-government negotiations concerning commercial and other matters of mutual interest; and

(c) to increase peaceful trade and related contacts between the United States and Rumania, and as assistance in meeting United States balance-of-payments problems, to expand markets for products of the United States in Rumania by creating similar opportunities for the products of Rumania to compete in United States markets on a non-discriminatory basis.

AUTHORITY TO ENTER INTO COMMERCIAL AGREEMENTS

SEC. 103. The President may make commercial agreements with Rumania providing most-favored-nation treatment to the prod-

ucts of Rumania whenever he determines that such agreements—

(a) will promote the purposes of this Act,
(b) are in the national interest, and
(c) will result in benefits to the United States equivalent to those provided by the agreement to the other party.

BENEFITS TO BE PROVIDED BY COMMERCIAL AGREEMENTS

SEC. 104. The benefits to the United States to be obtained in or in conjunction with a commercial agreement made under this Act may be of the following kind, but need not be restricted thereto:

(a) satisfactory arrangements for the protection of industrial rights and processes;

(b) satisfactory arrangements for the settlement of commercial differences and disputes;

(c) arrangements for establishment or expansion of United States trade and tourist promotion offices, for facilitation of such efforts as the trade promotion activities of United States commercial officers, participation in trade fairs and exhibits, the sending of trade missions, and for facilitation of entry and travel of commercial representatives as necessary.

(d) Most-favored-nation treatment with respect to duties or other restrictions on the imports of the products of the United States, and other arrangements that may secure market access and assure fair treatment for products of the United States; or

(e) satisfactory arrangements covering other matters affecting relations between the United States and Rumania, and the improvement of consular relations.

EXTENSION OF BENEFITS OF MOST-FAVORED-NATION TREATMENT

SEC. 105. (a) In order to carry out a commercial agreement made under this Act and notwithstanding the provisions of any other law, the President may by proclamation extend most-favored-nation treatment to the products of Rumania.

(b) Any commercial agreement made under this Act shall be deemed a trade agreement for the purposes of Title III of the Trade Expansion Act of 1962 (19 U.S.C. sec. 1901 et seq.).

(c) The portion of general headnote 3(e) to the Tariff Schedules of the United States that preceded the list of countries and areas (77A Stat. 11; 70 Stat. 1022) is amended to read as follows:

"(e) Products of Certain Communist Countries. Notwithstanding any of the foregoing provisions of this headnote, the rates of duty shown in column numbered 2 shall apply to products, whether imported directly or indirectly, of the countries and areas that have been specified in section 401 of the Tariff Classification Act of 1962, in sections 231 and 257(e) (2) of the Trade Expansion Act of 1962, or in actions taken by the President thereunder and as to which there is not in effect a proclamation under section 5(a) of the "Rumanian Trade Act of 1969."

(d) Nothing in this Act shall be deemed to modify or amend the Export Control Act of 1949 (50 U.S.C. App. Sec. 2021 et seq.) or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. sec. 1611 et seq.).

SEC. 106. The President shall submit to the Congress an annual report on the commercial agreements programs instituted under this Act. Such report shall include information regarding negotiations, benefits obtained as a result of commercial agreements, the texts of any such agreements, and other information relating to the program.

Mr. MONDALE. Mr. President, MFN treatment for Rumania, if coupled with the liberalization of the Export Control Act recommended by the Banking and Currency Committee, and reform of the Export-Import Act to permit extension of credit and guarantees to assist such

trade, would go far to expand and normalize trade relations with Rumania and further prospects for understanding and peace. It would underscore the President's apt appeal to the "spirit of Apollo."

S. 2778—INTRODUCTION OF THE FAIR INTERNATIONAL TRADE ACT OF 1969

Mr. LONG. Mr. President, during the past 35 years this country has entered into a succession of trade agreements with other countries for the purpose of removing or lowering the barriers to trade among the nations. After these many years of tariff cutting, the average U.S. tariff is about 11 percent of the value of all dutiable items and around 6 percent of our imports as a whole, including those on the free list. In other words we are near free trade, at least some 80 percent below the level at which we stood when we first began our tariff cutting, when the duty averaged a little over 50 percent.

This country has comparatively few nontariff trade barriers. Therefore as we reduced our tariffs we actually reduced our principal trade barrier. We did not cut the tariff and then put on all kinds of import controls, including absolute and rigid quotas, exchange controls and other devices to undo the effects of the tariff cuts, as other countries did, all over the map. Nor have we devalued our currency since 1934, when the first Reciprocal Trade Act was passed, while numerous other countries, including virtually all the Continental Western Europe, the United Kingdom, Canada, Japan, Mexico, Brazil, and Argentina have all devalued since World War II, many of them more than once. Every currency devaluation encourages exports and discourages imports, and, of course, can offset, or more than offset, such tariff reductions as had been made in trade agreements with us.

Mr. President, we continued down this road of tariff reduction upon tariff reduction, through the Kennedy round, lulled by the false optimism induced in the public by official trade statistics that grossly overstated our competitive exports and undervalued our imports. These many years we basked in the sunlight of bright trade statistics that told us all was well, that each year we rolled up trade surpluses ranging from \$4 to \$7 billion per year. We had nothing to worry about. We could go right on cutting our tariff with impunity, without fear of being hurt seriously, even if other countries did not follow suit, or if they nullified their reductions by devaluation or nontariff barriers.

When voices were raised for caution they were answered by pointing to our beautiful trade surplus. To those who said that we were pricing ourselves out of foreign markets it was said that they were prophets of doom and gloom; that their fears were belied by the sunny trade statistics.

Mr. President, even today the same misleading statistics continue to be issued.

When it became clear that our trade was in difficulties, when one important