

ANOTHER EXAMPLE OF THE MANY WAYS GOVERNMENT SECURITIES
CAN BE USED TO SWINDLE THE PUBLIC

\$\$\$ "Caveat Emotor" \$\$\$

Private Banking Corporation \$6 Billion Profits TAX FREE!

HOUSE OF REPRESENTATIVES—Friday, November 7, 1975

The House met at 12 o'clock noon.

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

Be of one mind, live in peace; and the God of love and peace shall be with you.—II Corinthians 13: 11.

Eternal God, our Father, we humbly seek Thy guidance and pray that our decisions and our conduct may be worthy of Thy blessing as we face the pressing problems that confront us.

In times of weariness and worry lift us with an awareness of Thy presence; in times of difficulties and differences uphold us by Thy Spirit; in times of success keep us humble of heart and in times of failure and frustration strengthen us by Thy grace. In all of life help us to be cheerful in spirit, steadfast in faith, zealous in all good works, and deepen in us the sense of our dependence on Thee.

We pray for our Nation and for all nations that the spirit of brotherhood, service, and love may reign in every heart and rule in every home.

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.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, 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. 9005. An act to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes; and

H.R. 10029. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10029) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," requests a

conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MANSFIELD, Mr. McCLELLAN, Mr. INOUE, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. STEVENS, Mr. YOUNG, Mr. BELLMON, Mr. BROOKE, Mr. SYMINGTON, Mr. CANNON, and Mr. TOWER to be the conferees on the part of the Senate.

CANCELLATION OF FEDERAL RESERVE BONDS ALREADY PAID WOULD GIVE US \$100 BILLION CUSHION IN DEBT CEILING

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

Mr. PATMAN. Mr. Speaker, by any standards, \$93 billion is a lot of money.

It is more than we appropriate for our entire Defense Establishment and it is many times any domestic program. It is 20 times what we hear is needed to take care of New York City. It dwarfs our energy development programs, and it makes our much publicized welfare programs look like peanuts.

Yet, the Federal Reserve has \$93 billion in its portfolio of Government securities. Ninety-three billion dollars of bonds which have been paid for once with the money of the U.S. Government—almost 20 percent of our national debt. Yet, these bonds remain in the portfolio of the Federal Open Market Committee uncancelled—despite the fact that they have been paid for once—and the Federal Reserve draws more than \$6 billion annually in interest payments right out of the Treasury.

Mr. Speaker, these bonds should be canceled—the same as any other paid-up obligation—and subtracted from the bloated national debt. This would reduce the debt by \$93 billion and this action would leave the Federal Government with a big cushion in its debt structure. This would enable us to appropriate the funds necessary to meet the needs of our cities and rural areas. It would enable us to meet our much talked about goals of decent and sanitary housing for all Americans.

These bonds should be canceled without delay and the Federal Reserve required to come to Congress for appropriations like any other Government agency. It should not be allowed to continue to draw \$6 billion in interest on paid-up bonds—\$6 billion of tax funds, unaudited, unchecked, and unappropriated.

Mr. Speaker, the Ways and Means

Committee could forget its debt ceiling bill if we canceled these bonds. We would have nearly \$100 billion under the ceiling to handle the public and worthwhile needs of the Nation.

PERMISSION FOR JOINT COMMITTEE ON ATOMIC ENERGY TO HAVE UNTIL MIDNIGHT, MONDAY, NOVEMBER 10, 1975, TO FILE REPORT ON H.R. 8631

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Joint Committee on Atomic Energy may have until midnight, Monday, November 10, 1975, to file a report on H.R. 8631.

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

There was no objection.

HUGE BOND ISSUE TURNED DOWN IN OHIO

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

Mr. HAYS of Ohio. Mr. Speaker, on Tuesday last, the people of Ohio turned down by a majority of approximately 5 to 1 the biggest single bond issue that was ever placed before a State in the history of this country.

Mr. Speaker, we have a secretary of state in Ohio whose duty it is to conduct elections, and he likes publicity. He frequently gets publicity by being arrested for drunken driving. At other times he attempts to get it by such ploys as writing letters to me or other people and then releasing their contents to the press before he mails them. The latest one he wrote to me deplored the fact that I sent out a speech I made on this floor to constituents in my district pointing out how much interest those bonds would cost in view of the probable default of the city of New York, and he reminded me that I had a duty to file an expense account. I know that. I have always complied, and I will file an expense account, which is \$940 for the printing, right out of my own pocket.

Mr. Speaker, I just want the secretary to make sure that the people who raised \$2 million from the bankers and the contractors, in a futile effort to get these bond issues passed, also file a report; and if he can come out of his alcoholic stupor long enough to write another letter, I wish he would.