

solar energy coordination and management project, to amend the National Science Foundation Act of 1950 and the National Aeronautics and Space Act of 1958, to provide for scientific and technical training in solar energy, to establish a Solar Energy Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes; to the Committee on Science and Astronautics.

By Mr. SEBELIUS:

H.R. 15636. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. SIKES (for himself, Mr. STEPHENS, Mr. WON PAT, and Mr. FISHER):

H.R. 15637. A bill to amend the Agricultural Act of 1970 to increase the amount authorized to be appropriated for the forestry incentive program administered under title X of such act and to increase the size of a tract which may be affected by such program; to the Committee on Agriculture.

By Mr. VIGORITO:

H.R. 15638. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. WYMAN:

H.R. 15639. A bill to amend title 18 of the United States Code to exempt State-conducted lotteries from certain prohibitions of Federal law; to the Committee on the Judiciary.

H.R. 15640. A bill to amend title 39 of the United States Code, to exempt State-conducted lotteries from certain prohibitions of Federal law; to the Committee on Post Office and Civil Service.

By Mr. YATRON (for himself, Mr. CORTER, Mr. MEEDS, Mr. ANDREWS of North Dakota, Mr. LAGOMARSINO, and Mr. CONTE):

H.R. 15641. A bill to establish an office within the Congress with a toll-free telephone number, to be known as the congressional advisory legislative line (CALL), to provide the American people with free and open access to information, on an immediate basis, relating to the status of legislative proposals pending before the Congress; to the Committee on House Administration.

By Ms. ABZUG (for herself and Mr. EDWARDS of California):

H.R. 15642. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits be-

cause of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. DIGGS (by request):

H.R. 15643. A bill to reorganize public higher education in the District of Columbia, establish a board of trustees, authorize and direct the board of trustees to consolidate the existing local institutions of public higher education into a single Land-Grant University of the District of Columbia, direct the board of trustees to administer the University of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. JONES of Tennessee:

H.R. 15644. A bill to amend the Internal Revenue Code of 1954 to increase from \$750 to \$1,500 the personal income tax exemptions of a taxpayer; to the Committee on Ways and Means.

By Mr. PRITCHARD:

H.R. 15645. A bill to amend the Food Stamp Act of 1964 to provide that social security benefit increases (beginning with those becoming effective in 1974) are to be disregarded in determining a household's eligibility to participate in the food stamp program and the amount of its benefits under such program; to the Committee on Agriculture.

H.R. 15646. A bill to provide that social security benefit increases (beginning with those becoming effective in 1974) are to be disregarded in determining eligibility for assistance under the medicaid program; to the Committee on Ways and Means.

By Mr. ROONEY of Pennsylvania:

H.R. 15647. A bill to establish university coal research laboratories and to establish energy resource fellowships, and for other purposes; to the Committee on Science and Astronautics.

By Mr. SPENCE:

H.R. 15648. A bill to amend the Federal Election Campaign Act of 1971 to provide for more effective regulation of elections for Federal office, and for other purposes; to the Committee on House Administration.

By Mr. WYATT:

H.R. 15649. A bill to provide for addition to the Fort Clatsop National Memorial of the site of the salt cairn utilized by the Lewis and Clark Expedition, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GUDE:

H.R. 15650. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.J. Res. 1079. Joint Resolution proposing an amendment to the Constitution of the United States with respect to the rights of unborn persons; to the Committee on the Judiciary.

By Mr. BYRON:

H. Res. 1198. Resolution relating to the participation of the United States in an international effort to reduce the risk of famine and lessen human suffering; to the Committee on Foreign Affairs.

By Mr. HANLEY:

H. Res. 1199. Resolution expressing the sense of the House of Representatives concerning the rights and civil liberties of the Irish minority in Northern Ireland; to the Committee on Foreign Affairs.

By Mr. TIERNAN:

H. Res. 1200. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

By Mr. WOLFF:

H. Res. 1201. Resolution expressing the sense of the House of Representatives concerning the rights and civil liberties of the Irish minority in Northern Ireland; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, 506. The SPEAKER presented a memorial of the Legislature of the State of South Carolina, relative to restrictions on beef imports, which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Georgia:

H.R. 15651. A bill for the relief of Edward G. Kelso; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 15652. A bill for the relief of Carla K. Finch; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 15653. A bill for the relief of Lt. Col. Robert L. King (retired); to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

A TRIBUTE TO SUPERIOR COURT JUDGE JAMES R. GIULIANO

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. RODINO. Mr. Speaker, I want to take a moment today to bring to my colleagues attention the retirement of one of Essex County and the State of New Jersey's finest public servants—and my dear friend, Superior Court Judge James R. Giuliano. Judge Giuliano, on June 18 of this year ended a career which spanned 50 years of jurisprudential history in the State of New Jersey.

Judge Giuliano began his public career at the age of 21, when in 1926 he was elected a Republican committeeman in the city of Newark's old eighth ward. The following year he was graduated from the New Jersey Law School and was admitted to the New Jersey Bar.

Judge Giuliano demonstrated the passion for honest government which was to consume his career when in 1934 he joined the then newly formed Essex County Clean Government movement.

Giuliano has served his State and Nation in both appointed and elected positions. In 1935 and 1936 he served as a member of the New Jersey State Assembly, the lower house of the New Jersey State Legislature. In 1944, Judge Giuliano was appointed a deputy attorney

general by then Attorney General Walter D. Van Riper. In this capacity, young James Giuliano was assigned to criminal prosecutions in Hudson County where he won convictions in an amazing 53 out of 54 cases—a record which made him one of America's most successful trial lawyers.

As New Jersey's own Star Ledger newspaper noted:

Even threats on his life in connection with the prosecution of the Joseph Grillo and Silio DeVita murder case failed to bring any slackening in his pace as a prosecutor, which by 1957 had seen him working on over 250 murder cases.

Asked by the Star Ledger to comment on the single element responsible for his outstanding record as a prosecutor, Judge Giuliano remarked:

I think I was known as a man who prepared. The secret of a good prosecutor lies in preparation, belief in your case, impressing the jury with your sincerity, and something I never failed to emphasize to a jury; that you are working for a very important client, the State of New Jersey.

After working in the Essex County prosecutor's office as both second assistant prosecutor and later first assistant prosecutor, Giuliano was appointed as an Essex County court judge. From there in 1960, he was nominated to the superior court of New Jersey by then Gov. Robert B. Meyner. Former Gov. Richard J. Hughes reappointed Giuliano to this position in 1966. Within a month after his reappointment, Judge Giuliano was named as acting assignment judge by Chief Justice Joseph Weintraub. Giuliano served briefly in this capacity as Middlesex County assignment judge before being appointed Essex County assignment judge. It was in this position that Judge Giuliano completed his distinguished career.

During the time he served as assignment judge, Giuliano worked on modification of a program to ease bail restrictions and developed a plan to provide a legal defense for all financially indigent defendants charged with criminal offenses. Judge Giuliano also helped create a more independent grand jury system in Essex County.

Upon his retirement the Star Ledger of Newark saw fit to print the following editorial tribute to this distinguished citizen:

A MAN OF LAW

Public life has been a way of life for Superior Court Judge James R. Giuliano, the assignment jurist in Essex County. After 50 years of government service, he is winding up an eventful and colorful career that began at the callow age of 21.

Judge Giuliano retains much of the zest and drive that marked a successful entry into politics, when he was elected Republican county committeeman in 1926, a year before he was admitted to the bar.

Law and politics were prime, dominant forces for this blunt, outspoken jurist. He had a reputation as a tough but fair prosecutor, traits that were readily distinguishable in his lengthy tenure on the bench. In 1944, as deputy attorney general he was assigned to criminal prosecutions in Hudson County, where he won convictions in 53 of 54 cases.

Although he maintained an abiding, lively (albeit non-active) interest in politics, the law in all its myriad phases has been pre-eminent for Judge Giuliano. Before his elevation to the bench, he had been a prosecutor with an enormous capacity for trial work, representing the state in 250 murder cases.

He displayed a toughness in character when he assumed the prosecution of a homicide case that aroused community passions and even brought threats on his life. He was placed under 24-hour guard during the trial, in which the defendants were given death sentences, later commuted to life terms.

And now, on his 70th birthday, still vigorous and alert, Judge Giuliano is stepping down from the bench for the last time. As his judicial colleagues would fondly attest, his voice remains a powerful advocacy (in decibels as well as commitment) for law and justice.

In spite of the countless hours spent in tireless devotion to the law, Judge Giuliano found ample time to be a loving husband and attentive father. He and his wife, the former Teresa Mary Cicienia will

celebrate their 43rd year of happy marriage.

The immortal Oliver Wendell Holmes, Jr. once remarked:

I think that as life is action and passion, it is required of a man that he should share the passion and action of his time at peril of being judged not to have lived.

Even by the strict standards of Mr. Justice Holmes, Judge Giuliano has lived a life full of the action and passion of his times.

The New Jersey judiciary system is better for his contribution. I join the people of New Jersey in saluting his long and distinguished career and wish him well in his retirement.

HARRY KIM: REBEL WITH A CAUSE

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. MATSUNAGA. Mr. Speaker, it is, indeed, a pleasure to insert into the RECORD an inspiring account of the great efforts and achievements of a young man—a social worker from Hilo, Hawaii, aptly called a rebel with a cause. His name is Harry Kim, and he is the county director of the Law Enforcement Assistance Administration—LEAA. Mr. Kim is an outstanding example of the young people of our Nation who, instead of just complaining, are actively engaged in restoring honor, dignity, and integrity to our public institutions.

Harry Kim's success may have been assured by the support of the Honorable Shunichi Kimura, former Big Island mayor, whose initial foresight and confidence in Mr. Kim instilled confidence in the young man, and the Honorable Bruce McCall, present mayor of the county of Hawaii, who followed Mayor Kimura's policy. Said former Mayor Kimura:

Harry is one of the most effective guys in government.

And Mayor McCall says Harry Kim is "running all the social services for the county of Hawaii."

Kim, 34, has demonstrated a rare personal concern for troubled youngsters and high school dropouts. He estimates that almost 75 percent of his time is spent in seeking homes and jobs for such teenagers. An ex-dropout himself and a self-styled "rebel," Kim says he used to complain a lot about problems in the social services programs.

He says:

This job gives me a chance to do something about it, and that's what I care about.

The article as it appeared in the Honolulu Star-Bulletin, one of Hawaii's major newspapers, follows:

[From the Honolulu Star-Bulletin,
June 12, 1974]

HARRY KIM: REBEL WITH A CAUSE

(By John Knox)

HILO.—He was an angry young man with firm ideas, a sharp tongue and a chip on his shoulder. Suddenly he was shoved to the top of the bureaucratic heap he had despised.

It's the kind of story that has been told

before. Usually it ends with the former rebel grown smug and complacent, corrupted by power and even more incompetent than his predecessors.

But Harry Kim of Hilo has lost neither his drive nor his anger at social systems which shortchange the Big Island's youth.

As for his competence, former Big Island Mayor Shunichi Kimura calls him "one of the most effective guys in government."

And Mayor Bruce McCall expresses wonder as well as admiration for Kim's achievements: "When he started out, he was supposed to be just a planner. Now he's damn near running all the social services for the County of Hawaii!"

Kim, 34, is the County's director for the Law Enforcement Assistance Administration (LEAA). He has the delicate task of coordinating sometimes jealous County, State and Federal agencies concerned with social programs for the unemployed, the disadvantaged and the real or potential lawbreakers.

But Kim's unique contribution to local government has been his personal concern for troubled youngsters, particularly school dropouts who have no jobs and little hope.

He estimates that 75 per cent of his time goes to direct personal efforts to place such teenagers in work training programs or foster homes. Hundreds of youths have come to his office by referral from social agencies, schools, Family Court or through parents or friends.

Why has an administrator taken such a direct and energetic hand in helping individual dropouts?

"I guess it's being an ex-dropout myself. I never was considered a good student," answered Kim with a wry smile of one who has often battled the system and lost.

Kim admits he was a self-styled rebel who made few friends in the bureaucracy until he came to his present job in 1971. Before that, he was a teacher at Honokaa High School and a teacher-counselor at Hilo High School.

There was little love between Kim and his bosses in the school system. Kim was bothered by the philosophy and rigidity of the system, and Kim's superiors were irked by his compulsion to point out every single fault in loud and strident tones.

Kimura, now a circuit court judge, recalls that school officials did not give Kim enthusiastic recommendations when he first came up for the LEAA post in 1971.

"But Harry did have a reputation as a doer, so I told my corporation counsel to go ahead and hire him," Kimura said.

"When he first came, Harry still had this tremendous ability to step on toes and irritate all the people he came in contact with.

"But within months, there was this amazing transition. Without losing his impatience or anger with the bureaucracy, he developed an ability to communicate with people."

Kim's first decision was to identify "gap areas" where government had no services to offer people in trouble.

He established an "interim work program" which partly subsidizes the salaries of youths who are placed with public or private employers.

If the employer approves of the performance after two weeks, he hires the youth permanently.

Kim also hired a Filipino immigration specialist to work with new immigrants, set up a training program for dropouts at Hawaii Community College and—in one of his major accomplishments—rescued the floundering local Job Corps and converted it into a program mainly for Big Island youths.

His office has taken on the County's manpower training program and drug abuse project, and also supervises the Board of Ethics, the Committee on Children and Youth and the Status of Women Committee.

The County Council expanded Kim's office to include five other workers. Councilmen have also granted Kim a \$25,000 "instant ac-

tion" fund into which he can dip at any time to help youths when they need help—which usually means "right NOW."

In his three years on the job, Kim has gone through some personal changes. He doesn't point his finger at other people so much these days.

"This job has a lot to do with my growing up," he said. "I began to see the whole picture. This job forces me to look at the whole complex setup and have a little more patience in expecting change."

One of the biggest changes in Kim's attitudes was a newfound respect for the "bureaucrats" he had once thought stodgy and uncaring.

"This is where I was dead wrong. I found out very fast that all of those individuals I worked with have a sincere desire to try to help the community," Kim said.

In fact, he said, the personal friendships and the trust among officials on the Big Island account for much of the agencies' recent success in social programs.

How much has Harry Kim really changed? "He's still an angry young guy, and I hope he never loses that quality," answers Judge Kimura.

"I don't think he's made that many concessions in his personality," says Sadao Nishida, director of the Big Island's family court.

"We needed his aggressive style. I think he made other people realize that we've got to get moving if we want to accomplish anything for these kids."

Kim is still an intense and driven man. But his recognition of others' efforts and goodwill seems real.

"Three years ago I was just staff. As staff, it's very easy to complain. This job gives me a chance to do something about it," he said. "And that's what I really care about."

SENATOR BROOKE ADDRESSES HAVERHILL TECHNICAL SCHOOL ON CAREER EDUCATION

HON. MICHAEL HARRINGTON OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HARRINGTON. Mr. Speaker, on June 2 the distinguished Senator from my State of Massachusetts, Senator EDWARD W. BROOKE, delivered an address on the occasion of the dedication of the Whittier Regional Technical School, located in my congressional district in Haverhill, Mass.

Senator BROOKE's thoughtful remarks marked the fulfillment of an educational project undertaken jointly by 11 Massachusetts communities in northeastern Massachusetts. The new program at the Whittier Regional Technical School provide quality vocational and technical education for north shore students.

Senator BROOKE's remarks contain a number of valuable insights. It seems to me that we can all agree with Senator BROOKE that our Nation must make better use of its human resources, and that our educational system holds the key to our success in utilizing human potential.

At present, our educational system, as Senator BROOKE points out, is not responding to the changing conditions of our society. Our educational system has become so college-oriented that it ignores the needs of the majority of students for whom a college education

may not be particularly applicable. The Federal Government should expand its support for education directly related to the occupational and vocational needs of contemporary students.

Because of the relevance of Senator BROOKE's remarks, and because of the commendations deserved by the 11 participating communities in the Whittier Regional Technical School, I ask that the entire text of Senator BROOKE's address be reprinted in the RECORD:

REMARKS OF SENATOR EDWARD W. BROOKE

Today is a great day in the educational history of Haverhill and her surrounding communities. For today in dedicating the Whittier Regional High School we celebrate the achievement of eleven Massachusetts communities working together to provide quality vocational and technical education for their young.

We are aware of the benefits that will be derived from this school for students and for the local and state economy. Moreover, we should be aware of how this school and its purposes and its graduates will relate to national needs in this last quarter of the Twentieth Century.

The America we see today appears vastly different from the country of seemingly limitless economic promise and opportunities we saw only a few years ago. Its place in the world appears less assured, its international economic preeminence seriously threatened.

We have suddenly become aware of the value and scarcity of our resources and of the necessity to stop being "the throw away" society. We see the imperative for a more productive national economy with a more efficient use of and a greater yield from all of our resources—including our most valuable resource, our manpower. In addition, with the federal government being asked to perform a larger and larger number of services, we must also assure a more careful and efficient use of federal tax dollars in social as well as in defense expenditures.

All these factors have forced us to re-examine our system of education and our expenditures for education. And we have found that we have been wasteful in terms not only of dollars but, more importantly, in terms of human lives.

One conclusion is that our education system must be measured in terms of how well it is preparing students for the total task of living, including preparing them for meaningful and remunerative work:

Each year 850,000 students drop out of elementary or secondary school.

Each year 750,000 graduate from the high school general curriculum, largely unprepared either to choose or to qualify for a career.

Each year 850,000 leave college without a degree or without completion of an occupational program.

This represents a total of 2.5 million young people who leave our educational system with little or no training, with few if any marketable skills. And this in the main accounts for the fact that unemployment among young people is far higher than among the population as a whole.

In terms of tax dollars, the education of 850,000 dropouts represents a national investment of almost \$7 billion; the 750,000 who graduate from the high school general curriculum, an investment of \$9 billion; and those who leave college unprepared for a career, an investment of \$12 billion. Those investments total almost \$28 billion, or one-third of the total amount we spend on education every year.

These are the costs of the failures of our present education system in national terms. And we know all too well the costs of these failures in human terms. It is demoralizing for any person to be unable to find a job, to

be unwanted in the labor market, to be able to find only marginal, part-time, or temporary jobs. For a young person starting adult life, this is particularly true—he is made to doubt his own worth, he is robbed of his untried self-confidence, he is made to feel even more isolated and alienated in this increasingly complex and impersonal world.

When we question how these failures in our education system occur, we find that in many ways our system of education grew increasingly unrelated to the needs of our nation and its total economy.

Our education system better answered the need for occupational training in the past than it does now. The demands upon it were simpler. In a rural, agricultural economy, there were but a limited number of occupations. Only half a century ago, it was said that "a boy might observe the full range of his occupational expectations by walking beside his father at the time of plowing, by watching the farmers, blacksmiths, and tradesmen who did business in his hometown." A girl could view the occupational choices open to her with even less effort. Training for an occupation could occur on the family farm or through an apprenticeship. Advanced schooling and college was largely reserved as a preparation for a limited number of traditional occupations—primarily teaching and the ministry.

Young people seldom realize that advanced schooling was not prevalent until well into this century. In 1890, less than four percent of those of high school age were enrolled in high school. High school did not become a mass institution, enrolling half or more of the population, until after 1930—which may be the equivalent of the dark ages for the students in the audience, but is well within the lifetime of most of us parents.

Once mass high school was achieved, we became college oriented. A college degree became the required, often unnecessary, credential for numerous jobs. Indeed, spurred in great part by the scientific and technical competition with the Russians we became not only college oriented but increasingly oriented to graduate school beyond college. As a result of pouring millions of dollars into higher education in the 1960's, we now have mass higher education. This was made possible in great part by massive infusion of federal funds into our colleges and universities during the 1960's. The result of all this effort is that one-third of all young people in the 18-21 year old bracket now go to college—and almost one-half of this age group will attend college for at least a short period.

It has been said that belief in education is the American religion. Hence it was assumed that advanced schooling would automatically hasten achievement of our social, political and economic goals in this country. But in the last few years we have come to realize that education and more specifically a college degree are neither a national nor even a personal panacea. We have come to see that schooling for the sake of schooling is less important than the content of that schooling. We have come to realize that a high school should be judged by many criteria, not just by the number of students it sends on to college.

The present failure of American education in its pre-occupation with a college degree bears many witnesses. The first is the nature of the job market. On a national economic level, we now find that in the present decade—the 1970's—only two jobs out of every ten will require a college education as we now know it. However, the existing bias of our education system towards college leaves the majority of students unserved. As many as 80% of our secondary school students should be receiving career training, whereas only 25% receive such training.

Students themselves perhaps best recognize these failures of American education. Their sense of frustration and malaise and their

complaints that the school work which they are being asked to do is largely irrelevant to the task of living are commonplace. And this is not only true among high school students and dropouts, but among college students as well.

In earlier times a person aged 16, 17 or 18 was a wage earner, and possibly the responsible head of a family with his or her schooling well over and adult life well underway. Today education prolongs adolescence. Today most young people of this same age group find themselves in a strange, half-way world, neither fish nor fowl, neither child nor adult. Too many have spent the required 12 years in a school system which has too often presented them with college preparatory courses in which they have little interest and which too often they correctly perceive as being of little, if any, use to them in life.

We know now that our goal should have been a comprehensive education serving the whole man, his occupational as well as his intellectual needs. This is what Alfred North Whitehead meant decades ago when he said, "The antithesis between a technical and a liberal education is fallacious. There can be no adequate technical education which is not liberal, and no liberal education which is not technical; that is, no education which does not impart both technical and intellectual vision . . . education should turn out the pupil with something he knows well and something he can do well."

More recently, James Bryant Conant, former President of Harvard, warned us that "in a heavily urbanized and industrialized free society the educational experiences of youth should fit his subsequent employment. There should be a smooth transition from full time schooling to a full time job, whether that transition be after grade ten or after graduation from school, college, or university."

You in greater Haverhill have recognized the wisdom of these words, but unfortunately the nation as a whole has not.

Our education system continues to squander our manpower resources, a waste we can no longer afford. We see this waste in our unemployment rolls; we see it in our welfare rolls. We see the waste in the millions of our young—and not so young—who find a job on a hit or miss basis and who are subject to clinging to one part-time, marginal job after another. We also see this waste in expensive manpower training programs which provide the job training which should have been taught in school.

A primary function of education must be to make the student fully aware of the full range of occupational possibilities open to him and to train him for the one which most interests him and suits his talents. College is only one choice in the large range of possibilities open to students today.

According to the Department of Labor Statistics, there are now 23,000 different occupations in this country. Many of these were unknown when the parents of Whittier students and I faced the task of choosing an occupation. Over 3,000 new job classifications have been created since 1961 alone. Only competent and active aggressive counseling in our schools can make the individual student aware of the choices open to him.

Students must be particularly made aware of those fields with the greatest growth. Farming and manufacturing, once the largest occupational fields in the nation, have declined greatly in relation to the economy as a whole. Farming now requires less than four percent of the labor force. The production of goods in total—raising food crops, building, mining and manufacturing of

goods—has required less than half of the country's work force since the late 1940's.

As our economy becomes more complex and the jobs more specialized, the number and kinds of positions within each occupational category will proliferate. A good example of the dramatic expansion of job opportunities is in the field of health. In 1900, there was one health assistant for every doctor; today that ratio is 13 to 1. By the end of the 1970's, it may climb to 25 to 1. Our young people should be made aware of these developments and opportunities.

Career education must be made available not only to students but to adults as well. With a fast changing economy, choice of and training for a career may cease to be a once in a lifetime occurrence. An individual may have to change occupations several times during the course of his life. Our schools must be ready to provide the necessary training such as you are doing here at Whittier.

Our schools offering career education must also be more sensitive to the fact that women already compose forty percent of the work force and in a few years, will represent fifty percent of those employed. Vocational programs must cease to reflect a subconscious male bias that women are destined by some inviolable law of nature to work in a limited number of occupations, too often at the lower levels, and almost always for the lowest pay.

The federal government must fulfill its responsibility in this redirection of American education in assuring that each individual is provided a total education. At present, it does not. It is estimated that the federal government has spent \$14 on higher education for each \$1 it has spent on career education. Obviously much more federal funds for career education is required if our schools are to be made more relevant.

We must also remember that the federal government will help determine not only what kinds of jobs are available, but whether or not jobs are available. We have seen that our economy does not provide an adequate number of decent jobs with decent pay even during periods of economic growth. This is now a proven fact, and the federal government must begin giving serious attention to a full employment policy.

It is also time that the government and the citizens whose taxes pay for national programs realize more fully the relationship between our government programs and the job opportunities which these programs create. Too often, for example, we think of government housing programs for low income families as benefiting solely those on or near the poverty level. But if we choose to rebuild our decaying cities in the 1970's, full-fledged housing programs could create jobs for as many as 10 million persons. Or if we decide to place a high priority on goals in health care in the 1970's, one consequence would be the creation of an estimated 2.3 million jobs performing direct health services.

I have spoken of the needs of our nation. But I would ask you to remember what this school will really mean for the thousands of those who will have the good fortune to study here. For the ability to do useful work—and do it well—instills a sense of worth and pride in a person's life. This afternoon we dedicate a school which will instill in the lives of thousands of men and women that sense of worth and dignity.

The eleven towns who worked together to build Whittier Regional Vocational High School have recognized both the needs of their students, their communities, and their nation. The building of this school has taken vision and imagination. I congratulate you upon a task well done.

HOW TO USE THE FREEDOM OF INFORMATION ACT

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, after over 2 years of investigative and legislative hearings, the House and Senate have passed much needed amendments to the Freedom of Information Act. Early enactment of these amendments into law is expected. The amended Freedom of Information Act will make it far easier for the public to enforce their rights under this law.

In light of these pending amendments, it is most appropriate that the Freedom of Information Clearinghouse, a nonprofit organization established to assist the public in breaking the Government secrecy barrier, has recently published a pamphlet entitled "The Freedom of Information Act: What It Is and How To Use It." This invaluable booklet explains in clear language how the average citizen may make use of the act to enforce his right to know.

I recommend this booklet to my colleagues who will find it of considerable use when advising their constituents or assisting them in obtaining requested information from the Federal agencies.

I include the text of the booklet herewith:

FREEDOM OF INFORMATION CLEARING HOUSE—THE FREEDOM OF INFORMATION ACT: WHAT IT IS AND HOW TO USE IT

The federal government is a vast storehouse of untapped information. This information is useful to citizens for two purposes. First are facts that can be personally helpful to individual citizens. The regulatory agencies, for instance, have a large amount of data (inspection reports, consumer complaints, product tests, etc.) on a broad spectrum of goods and services: interstate moving companies and bus lines, the efficacy of drugs, the nutritional content of processed foods, corporate marketing and merchandising practices, the on-time performance and safety records of airlines, and so forth.

So, too, do many of the executive departments. The Department of Health, Education and Welfare makes inspections of federally supported nursing homes. Agriculture has data on pesticides and the purity and quality of meat and poultry. HUD makes FHA mortgage appraisals and monitors the practices of many large housing developers. The National Highway Traffic Safety Administration has safety and efficiency information on all makes of cars. The General Services Administration tests a wide variety of consumer products that are used by government agencies.

The second purpose is that open access to government information provides the electorate with information necessary to determine if the government is protecting the public interest. Such access to information is the lifeblood of a democracy, and if it does not flow to the citizenry, democracy withers. In this area, the list of facts that are being withheld by government agencies is too long and too obvious to need specification: it runs from defense and foreign policy to the safety of nuclear generators and the management of our national forests and grazing lands. As Justice Brandeis once said, "Sunshine is the

best disinfectant." An open government will probably be a better government.

In order to provide the public with a tool to pry both types of information out of the Government, the Federal Freedom of Information Act was passed in 1966. The Act provides that any person has the right to access to and can receive copies of any document, file, or other record in the possession of the Federal Government, subject to nine specific exemptions. The Act applies to all Federal administrative agencies and departments. While it does not apply to state governments, many states have their own freedom of information acts for information held on the state and local level.

What follows is a general description of the Act and some specific guidelines as to how it can be used most effectively.

HOW TO MAKE A REQUEST

The first step is to determine what it is that you want access to, since the law says you must specify "identifiable documents." This may not be an easy matter, because the very reason for your request may be that the specific identity of the documents has not been made public. But you do not need to specify a document name or title. What you must do is provide a reasonable enough description to make it impossible for the government to claim that the request is too vague. For example, if you want information on nursing homes in your area, it is enough to state that the government requires annual surveys to be conducted of nursing homes, and that you want to see the surveys. Or if you are interested in the broader scope and purposes of a particular government program, you can request access to all documents that relate to the particular program.

Your request need only state that it is being made pursuant to the Freedom of Information Act (5 U.S.C. Sec. 552). With one exception (as noted later), you do not have to explain the reasons for your demand, nor do government employees have any right to ask. By statute, the only ground an agency has for refusing your demand is proof that the documents are specifically exempt under one of the exemptions. The requester does not have to prove that he tried to obtain the documents and found them unavailable. The request should state merely that if no substantive response is received within 20 days, the request will be deemed to have been denied. The importance of including such a statement is that (a) it puts the official on notice that you know your rights under the Act, and (b) it establishes a record for possible later use in court.

An appeal within an agency or department is usually necessary after an initial denial is received. An appeal letter should be addressed to the head of the agency or department and should detail the request and the denial and state that an appeal is being made of the agency's initial denial. This may be only a two- to three-sentence letter. (We have included a sample request letter and appeal letter).

If the appeal is denied, the Act provides that the U.S. District Court has jurisdiction to review the denial and order the production of documents if such documents were wrongfully withheld. The court action, while fairly time-consuming (nine months to a year), is usually fairly simple, especially if your previous correspondence has established the fact that you made a proper request and appeal.

NINE EXEMPTIONS

The nine exemptions and the type of information exempt under each are as follows: the Freedom of Information Act does not apply to matters that are:

(1) specifically required by Executive order to be kept secret in the interest of the national defense or foreign policy.

The documents exempt under this section are those, like the Pentagon Papers, that are officially stamped Secret, Top Secret, etc. Courts are most reluctant to order the release of information if this exemption is at all relevant. However, the mere fact that the information you seek may be in the possession of the Department of State or the Department of Defense does not necessarily eliminate its availability. For instance, material such as results of drug-testing done on GI's returning from overseas is not exempt under this provision.

(2) related solely to the internal personnel rules and practices of an agency.

This exception covers things such as employee parking and cafeteria regulations, as well as certain manuals that relate to the internal management and organization of particular agencies. But staff manuals instructing inspectors or agents how to perform their jobs are not exempt.

(3) specifically exempted from disclosure by statute.

This exempts documents and information that are exempt from disclosure by other laws. The main ones are income tax returns and applications submitted respectively to the Internal Revenue Service and the Social Security Administration. In those cases information that relates to individual taxpayers and recipients or applicants under Social Security is exempt.

(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential.

The agencies under this section may withhold information only if it is either a trade secret or commercial or financial information. Confidential information that is not one of these is disclosable. This exemption applies only to information submitted to the government; government-prepared documents can never be exempt under this section.

(5) Inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with an agency.

This exemption is the one most widely used by the government which will resort to it in almost every situation. In general, the dividing line between what may and may not be revealed under this exemption is the line between opinion and fact. Opinions and policy recommendations are the traditional types of information that can be legitimately withheld; for instance, a memo from a staff person to a supervisor recommending that a policy be formulated would be exempt. But factual reports or analyses of facts are not exempt. Thus a judge might or might not consider reports of inspectors or field personnel exempt; the material might contain opinions, but if it can be determined that it is more factual analysis than policy recommendation, it should be made available.

(6) personnel and medical files and similar files, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

This exemption is self-explanatory. It should be pointed out, however, that this is the only exemption that encourages a balancing of interests between disclosure and non-disclosure—the one case, in other words in which the reason behind your request may be material. If your request involves this exemption, a brief explanation of why you want the information should be made so that it can be determined whether the disclosure of information would be an unwarranted invasion of personal privacy.

(7) investigatory files compiled for law enforcement purposes except to the extent available by law to a party other than an agency.

This is another over-used exemption, since a regulatory agency can claim that almost any information in its possession is an "investigatory file." However, the courts have stated that only where a law enforcement proceeding is presently active or contemplated can the exemption be used. While documents like annual surveys or inspections may be investigatory, they are not compiled for law enforcement purposes and, therefore, are not exempt under this section.

(8) and (9) These are special-interest exemptions that relate to banks and oil well information and are not relevant to most applications of the Act.

GUIDELINES

There are, of course, many ways in which agencies avoid disclosing information even when the information is not specifically exempt under one of the nine enumerated exemptions. Delay is generally used. While some delay may be due to normal red tape, the technique is frequently used for the specific purpose of avoiding disclosure. Remember that the less precise you make your request, the more room you provide an agency to delay while it seeks "clarification."

Identify as specifically as possible what it is you want. Describe what is requested in both specific and general terms. If the title of a report is known, request it by title. However, the same letter should also ask for "any other documents relating to the subject," or words to that effect. This is extremely important, since it helps to counter in advance the frequently used bureaucratic practice of providing only what you specifically ask for, even though other valuable information on the same subject may be in the agency's possession.

An important way to cut down on delay is to put a time limitation in your request—for example, "If a substantive reply is not received within 20 days of the date of this request letter, I will deem my request denied." At the end of the 20 days, file an appeal. The courts will uphold this procedure as long as the agencies are given a reasonable time to respond.

Another important tactic is to follow up written requests with phone calls. If the agencies are aware that you know your rights under the Freedom of Information Act, they will sometimes move more quickly. In fact, an approach that shows both knowledge and determination on your part may spare you the necessity of going to court.

Another barrier to access is cost. The law permits agencies to charge for copying and for some search time. However, charges must be cost-related and may not be used as a barrier to access. To save money, request access to documents instead of copies; and if you do ask for copies insist that any charges be related to the cost of providing them. Fifty cents per page for copying, or \$4.00 for fifteen minutes of search time, is not cost-related.

If your only way to get the information is to take the government to court, here are a few facts to keep in mind:

The legal issues involved in a Freedom of Information Act suit are simple and do not require specialized counsel. Any lawyer can handle your case, and it will probably take relatively little of his time. (Many cities have public-interest law firms that might be willing to take such a case for a nominal fee.) If presently pending amendments to the law are passed, the government will pay your lawyer if you win the case.

All that your lawyer must prove is that the government refused to give you the requested information within a reasonable

time. The government has the harder case, since it must prove that the information legitimately falls under one of the nine exemptions.

You will not have to go to Washington, D.C., to argue your case, even if you are suing a Cabinet secretary. The federal court in your area will handle the case.

In recent months there has been a distinct trend among federal judges to narrow the interpretation of the nine exemptions, thus making it increasingly difficult for the government to use the exemptions frivolously. Also, one of the amendments now before Congress will, if passed, further narrow the national-security exemption.

AMENDMENTS TO THE FEDERAL FREEDOM OF INFORMATION ACT

The House has passed and the Senate is considering amendments to the 1967 Federal Freedom of Information Act. If adopted, these amendments will provide that the government must respond within 15 days to all requests for information. They also allow greater access to classified information and will allow successful citizen requesters to recover legal costs including attorney fees incurred in bringing a Freedom of Information Act case to court.

STATE LAWS

As stated earlier, the Freedom of Information Act applies only to Federal administrative agencies and not to state agencies. However, many states (33) do have fairly effective laws. To find out about state laws, look them up in the state code or write the Attorney General of your state. Many of the more recent laws, like those of Texas, Oregon, New Mexico and Washington, are modeled after the Federal law; the guidelines presented in this pamphlet are also generally applicable to those states. The state laws have been used even less than the Federal law. Only through citizen use of these laws will they become effective tools for access to information on the state and local level. If your state does not have an effective state law, we can provide you with copies of model state information statutes. Just send us a post card and ask for the model statute.

THE FREEDOM OF INFORMATION CLEARINGHOUSE

The Clearinghouse is a project of Ralph Nader's Center for Study of Responsive Law and is wholly supported by contributions. If you would like to see the work of the Clearinghouse continue please send your tax deductible contributions to the Clearinghouse at P.O. Box 19367, Washington, D.C. 20036. Checks should be made out to Center for Study of Responsive Law in any amount you would like.

SAMPLE REQUEST LETTER

(Name and address of agency.
(Washington, D.C. usually will do for address)

DEAR SIR OR MADAM: Pursuant to the Freedom of Information Act, 5 U.S.C. § 552, I hereby request access to (or a copy of; identify document or describe the information that you want).

If this request is denied either in whole or in part please inform me as to your agency's appeal procedure. If any expenses in excess of \$5.00 are incurred in connection with this request, please inform me of all such charges prior to their being incurred for my approval. If I do not receive a substantive reply within 20 days of the date of this letter, I will deem my request denied.

Thank you for your attention to this matter.

Very truly yours,

SAMPLE APPEAL LETTER

(Name or head of agency or department and address)

DEAR SECRETARY: By letter dated (month) (day), (year) I requested access to (use same

description in request letter). By letter dated (month) (day), (year), Mr./Ms. _____ of the Office of Public Information of your agency denied my request. Pursuant to the Freedom of Information Act, 5 U.S.C. § 552, I hereby appeal that denial. I have enclosed a copy of my request letter and the denial that I have received.

If I do not receive a substantive response to this within 20 days I will deem my request denied.

Very truly yours,

TYPE OF DOCUMENTS AVAILABLE

The following is a partial list of documents to which access was obtained by citizens claiming their rights under the Freedom of Information Act:

Nursing Home Reports.
Meat Inspection Reports.
Reports on the Fat Content of Hot Dogs.
Statements as to whether the Antitrust Division of the Department of Justice will stop a proposed merger.
Atomic Energy Commission reports on the safety of nuclear generators.
Civil Rights compliance documents.
Internal Revenue Service Agents' Manuals.
The 1972 Annual Report of the Office of Economic Opportunity.

OF HUMAN WASTE AND HUMAN FOLLY

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. VANDER JAGT. Mr. Speaker, on several occasions in the past I have inserted statements in the RECORD discussing various aspects of resource recycling. In this period of substantially increased costs and growing scarcity of resources this Nation must focus its attention on and devote its efforts toward the goal of optimum resource reuse or we are faced with an absolute decline in living standards as we enjoy them today.

The following, excerpted from an article by Jeff Stansbury in the Living Wilderness, spring 1974, is an exciting story describing at least a significant part of the answer to our resource dilemma. I urge Members to give it their careful attention:

OF HUMAN WASTE AND HUMAN FOLLY—DID GOD MAKE STREAMS AND LAKES FOR SEWAGE DISCHARGE?

(By Jeff Stansbury)

Shoots of corn are just now poking through the stingy soil and a gentle rain of sewage in Muskegon County, Michigan. Despite the soil and because of the partially treated sewage, this corn crop is destined to rank among the nation's lushest next fall. The sewage, having given up its nutrients to roots, earth and air, is flowing into underdrains and emerging as the cleanest municipal effluent in the United States. The costs for all this fall considerably below those of any tertiary (chemical) treatment system.

Barry Commoner once handed American farmers a classic piece of advice: "Lend the nitrogen to the city folks—but get it back." Muskegon County has taken this advice to heart, converting the organic residues of food into the nutrients for a new season of crops. But big, sophisticated and precisely engineered as it is, the county's waste treatment system is merely the latest heir to a tradi-

tion of sewage farming which extends back beyond the Roman Empire. The Chinese night soil scavenger, the early Arabian poudrette manufacturers, Columella and other Roman agricultural writers all paid homage to this tradition and, in their turn, did the spadework for the great harvest of sewage farming in 19th century Europe. Between 1850 and 1900, London, Manchester, Nottingham, Paris, Edinburgh, Leipzig, Berlin and scores of other cities operated sewage farms. Some of these farms failed because untreated wastes were soaked into the soil with no regard for loading limits, plant requirements or high water tables. But the startling thing, given the fledgling status of agricultural chemistry, is that so many early sewage farms succeeded.

Paris, for example, has irrigated crops with sewage since 1883 on a sandy outwash plain near Herblay. The sewage is raw, a condition no land treatment expert today would recommend. It fertilizes vegetables such as celery and carrots which are eaten raw—again, not a recommended practice. Yet no health problems have ever been traced to the Paris farms. In Melbourne, raw sewage flowing across pasturelands has produced a clear effluent and the fattest, healthiest cattle in Australia.

Significantly, sewage farming declined in Europe not because it had any intrinsic flaws—it produced excellent crops and purer water than any other treatment system—but because it fell victim to a series of extrinsic trends. Three of these were decisive. First, by exploiting cheap labor in Peru and Chile during the last half of the 19th century, Europe's mercantilist trading companies were able to import immense tonnages of underpriced guano and sodium nitrate. These foreign resources wiped out the economic basis for sewage farming and sparked the boom in commercial fertilizers which is still going strong today, ruining our farm soils, gobbling up fossil fuel energy and reducing the quality of our foodstuffs. Secondly, late in the Victorian age English sanitarians decided that rivers had been created by God to assimilate sewage; crystal-clear water from sewage farms was therefore held to be a needless luxury. Thirdly, land speculation and subsidized residential growth on the fringes of European cities ate up farms that should have been set aside to reclaim sewage.

Surprisingly enough, the land treatment tradition reached North America in the 1860s, survived the indifference and hostility of most sanitary engineers and spawned thousands of sewage farms. Nearly 1,000 American communities fertilize crops with sewage today. Most of these treatment systems are in the arid Southwest where the incentive to recycle water has always been strong, and most of them were launched with no help from the water pollution bureaucracy in Washington. Bakersfield, California, and Abilene, Texas, are two of the larger cities which turn all their sewage onto cultivated fields after primary or secondary treatment. And in Lubbock, Texas, J. Frank Gray grows cotton, grain sorghums, wheat, alfalfa and bermuda grass on a 2,500-acre farm that absorbs 60 percent of the city's sewage.

Most sanitary engineers have ignored the accomplishments of American sewage farms for decades. Recently, however, the crust of indifference has begun to crack a bit. The American Public Works Association dispatched a task force to 100 land treatment sites in 1972-73, surveyed hundreds of others by mail and emphatically endorsed sewage irrigation in a report to the U.S. Environmental Protection Agency declaring:

"The Association is aware that in the minds of many persons land application of wastewaters has been discredited and poorly considered. However, on the basis of the exhaustive study which was undertaken, it

must be concluded that the land application of wastewaters offers a viable alternative to advanced (i.e., chemical) treatment processes and deserves serious consideration . . . Land needs, when taken in perspective with total land uses, are not unreasonable and may, in fact, play a desirable social role by providing green belts and open areas, and preserving rich farm lands and cloistered areas. The conclusions of this report point to the almost unqualified success of this method of application, both in this country and abroad, when the facility has been properly operated and efforts have been made to apply sound engineering, geological and farming expertise. . . ."

Roughly 150 million Americans use public sewerage today. Most of their wastes are processed only through the primary stage of treatment, which takes out suspended solids through screening and settling. An increasing amount of primary sewage however, now flows through secondary treatment tanks or filters, where bacteria remove most of the remaining solids and greatly reduce the biochemical oxygen demand (BOD). At the end of this second stage a mountainous organic sludge has been precipitated, most odors have been neutralized and 70 to 90 percent of the five-day BOD has been satisfied, although the effluent will still use up oxygen in any receiving stream.

Full tertiary treatment with lime, alum, sodium hypochlorite, chlorine, carbon or other materials has historical roots going back a century, but it is still completely experimental and has not yet worked reliably at a single municipal site. It uses heavy doses of chemicals, fuel oil and electricity in an attempt to remove most of the nitrogen and phosphorus in sewage; it also tries to remove complex organics (including pesticides) and filter out all remaining solids. Theoretically, tertiary treatment is designed to take out at least 98 percent of most pollutants and 80 percent of the nitrogen, but at the highly touted South Lake Tahoe tertiary plant this degree of purification has not been achieved. The nitrogen removal process at Tahoe doesn't work satisfactorily during the winter. A high purification rate for other pollutants has been achieved only by running much of the sewage twice through some of the processes; this has reduced the plant's effective capacity and boosted its already high capital cost per gallon.

The trait which all three of the above treatment stages share—and the flaw which dams them ecologically—is that they dispose of sewage in a linear fashion instead of recycling its rich humus and abundant nutrients. Secondary effluent contains enough nitrogen, phosphorus and potash to match a ton of commercial 7-14-12 fertilizer when applied to an acre of land at a cumulative rate of 60 inches over the course of, say, 30 weeks. Dried secondary sludge has a low fertilizer value—only about 6-4-0—but it builds up the very humus which commercial fertilizers are helping to erode.

With minor variations, fortunately, the effluent and sludge from conventional primary-secondary treatment can be channeled into the world's oldest and most effective tertiary stage: treatment on the land. History offers us dozens of ways to do this, but three basic modes show the most promise. These modes are rapid infiltration, crop irrigation by overland flow and crop irrigation by slow infiltration.

Of the three modes, slow infiltration produces the cleanest effluent. Nitrogen removal is only modest in rapid infiltration, and phosphorus removal is less than optimal in overland flow. But both of these nutrients are put to extremely beneficial use by the Muskegon-type system. The crop may be timber, pasture grasses, feed corn, cotton, orchard fruits, vegetables or sod; the climate may be hot or cold, wet or dry; the purified

effluent may recharge aquifers or flow into agricultural underdrains. Yet under any of these conditions the removal of viruses, pathogenic bacteria, BOD, phosphorus and lesser pollutants should reach 99 percent, while nitrogen removal should range from a minimum of 80 percent to above 90 percent. Melbourne takes out 91 percent of the nitrogen in raw sewage. Now municipal chemical treatment systems can match these purification rates, which are documented for several land treatment sites.

In 1962 scientists at Pennsylvania State University began a series of year-round sewage irrigation trials which should prove to be a watershed in the history of sanitary engineering. They sprayed secondary effluent on old fields, forests and row crops, and they let the purified wastewater seep into the underlying aquifer. Ten years after the experiments began, Drs. Louis T. Kardos and William E. Sopper declared that with proper nitrogen and hydraulic loadings "it should be possible to recharge water of drinking quality into the aquifer below a wastewater disposal site." This conclusion led directly to the 43-million-gallon-a-day land treatment project which had its shakedown run in Muskegon County last year and is now in its first full season.

The moving force behind the Muskegon plan was Dr. John R. Sheaffer, then a water resources specialist at the University of Chicago's Center for Urban Studies. Sheaffer had one great advantage in coping with sewage he was not a sanitary engineer. It was his grasp of hydrological and nutrient cycles and his familiarity with the Penn State experiments, rather than any sanitary engineering credentials, that led him to propose a massive sewage irrigation scheme in 1969.

More persuasive than his adversaries, the 40-year-old Sheaffer pushed his Muskegon plan through the political gauntlet in record time for a sewage project of its size. He was an intuitive politician. "People have had it with piecemeal change," he said of the conventional sewerage technology that had not cleaned up a single river from 1900 to 1970. "They want a new vision."

The Muskegon system which EPA reluctantly agreed to fund (and which it now treats as a pariah) has shut off every sewage, tannery, pulp mill and chemical factory outfall on lakes Mona and Muskegon. It has begun to purify sewage to raw drinking water quality, enrich the poor soils of the eastern county and generate income from the sale of crops. Sheaffer's vision inspired Michigan's 9th District Congressman Guy Vander Jagt, who helped county officials obtain state permits and more than \$2 million in federal funds. Today the vision has a very literal aspect—people in Muskegon can see the bottom of their once foul lake for the first time in memory.

Virginia's tough-talking water pollution chief, Noman Cole, favors chemical treatment and calls Sheaffer a "snake oil salesman." While it is certainly true that Sheaffer has political finesse, he would have accomplished nothing if his ecological principles had not been sound. These principles can be boiled down to three statements: (1) the environment is an interrelated system; (2) for planning purposes this system is closed—i.e., nothing can be "disposed of"; and (3) pollutants are resources out of place. The Muskegon sewage farm embodies all these principles, while conventional sewerage flouts them.

Since ecology and economy are often one and the same, it is no great surprise to find that the Muskegon approach enjoys a financial edge over its rivals. Chicago's new Salt Creek chemical tertiary treatment plant, for example, cost about \$1.50 per gallon to build; Muskegon cost only \$1 per gallon. The contrast in operating and maintenance costs is even more striking. Chemical treatment (pri-

mary-secondary-tertiary) costs between 40 and 80 cents per 1,000 gallons; Muskegon treats this volume of sewage for about 12 cents. Many studies and common sense favor the economics of land treatment. In brief, nature works cheap.

Why do so many sanitary engineers dislike Muskegon in particular and land treatment in general? Harold J. Laski may have had the answer. One of his *Fabian Tracts*, written in 1931, contains this observation:

"Expertise sacrifices the insight of common sense to intensity of experience. It breeds an inability to accept new views from the very depth of its preoccupation with its own conclusions. Too often, also, it lacks humility; and this breeds in its possessors a failure to see the obvious which is before their very noses."

By training, outlook and experience most consulting engineers in this field view sewerage as fundamentally a plumbing rather than a resource problem. Nitrogen, carbon, phosphorus and potash describe elegant trajectories through the air, water and soil, but the typical sanitary engineer concerns himself only with that brief leg of their journey between the flush toilet and the sewage outfall. He does not care, professionally, whether North American soils are being mined to death, whether the manufacture of commercial fertilizers drains off huge quantities of natural gas and electric power, or whether his own treatment processes (especially in the tertiary stage) themselves consume inordinate amounts of power and fuel. The sanitary engineer ignores all these things because his single forte is turning alchemy on its head, i.e., transforming human fertilizer into pollution.

One unorthodox sanitary engineer, however, is Kenneth R. Wright of Denver. Wright shakes his head every time he recalls what a colleague once told him: "God made streams and lakes for sewage discharge." As a maverick, Wright has pondered why most of his fellow engineers ignore, down-play or attack land treatment.

His explanation is a plausible variant of Laski's. "Land treatment," Wright has written, "encompasses the broad technical domains of the sanitary engineer, the hydraulic and hydrological engineers, the agronomist and social scientist, the irrigation engineer, the virologist, metallurgist and geologist. . . . Perhaps for this reason alone, the professionals have been somewhat recalcitrant, knowing that the overall design control of a [sewage irrigation] project might necessarily fall into the hands of a generalist, or a water resources planner, rather than the traditional technical specialist." This is precisely what happened in Muskegon County.

Finally there is a powerful economic reason for the hostility most of our sanitarians display toward sewage irrigation. When a consulting firm designs a waste treatment plant its fee is calculated at between seven and 10 percent of the final construction cost. This practice invites the firm (especially where there is no competitive bidding) to design the most expensive sewage factory it can conjure up and sell to EPA and local authorities. Because chemical treatment costs much more than crop irrigation one can understand why sanitary engineers avidly promote the former and shun the latter.

Today most of the local, state and federal water quality agencies with the power to discipline this backward profession do not do so, and for a very clear reason: they are dominated by sanitary engineers. The major roadblock to a true test of sewerage technologies in the United States is EPA, which, with its predecessor agencies since 1960, has funded sewage disposal plants at a ratio of more than 1,000 to 1 over systems that recover the nutrients and water in sewage. Sanitary engineers help run most of EPA's sewerage research programs (the field office at Ada, Oklahoma, is a gratifying exception, allocate its

construction grants, control its regulatory policies and select its outside consultants. All too often, the EPA staff man who helps make policy one year can be found working for a private consulting firm two or three years later and vice versa.

The opportunities for regulatory highjinx in this climate are too tempting to resist. When EPA approves an overpriced construction contract (and pays 75 percent of the cost), or when it casually tolerates pollution overloads from conventional treatment plants, it is merely rewarding its own. Such professional incest creates a powerful bias against land treatment, robs the public of tax dollars, fouls rivers and protects an incompetent profession. Scarcely a treatment plant in the nation consistently removes the high fractions of BOD, solids and pathogens which its design consultants promised it would when federal construction funds were being passed out.

Clearly, sanitarians have won the indulgence of a unique government psychology. Because conventional sewage treatment plants have never worked well, no one at EPA truly expects them to work. And because no one expects them to work, no one demands cost and performance guarantees from sanitary engineers. The feedback mechanism here is perfect, but it is also perfectly absurd.

While it has been making things easy for consulting engineers, EPA has also made things difficult for those who favor land treatment. The agency seems to be embarrassed by the funds it laid out for the Muskegon plan several years ago. Though it still trickles a few small grants into sewage irrigation studies that pose no immediate threat to its disposal policies, it has tried to cut off political acceptance of land treatment at virtually every turn. During the past two years, for instance, EPA has threatened North Miami, Florida, with a lawsuit because that city wanted to explore the land treatment of sewage as an alternative to the ocean outfall which EPA favored; issued a newsletter (through its Youth Advisory Board) which condemned the Muskegon project as "three steps backward"; demanded that the Army Corps of Engineers stop its studies of wastewater alternatives (including land treatment) for metropolitan regions, even though EPA itself had no plans to conduct similar studies; ordered Licking, Missouri, to build a conventional treatment plant when that town submitted plans for a sewage irrigation system; and fought Missouri's decision to impose a zero-discharge requirement on towns along the Big Piney River, a requirement which would have inspired several land treatment projects.

Three years ago, thanks in no small measure to Dr. Sheaffer's conversations with the Public Works Committee, the U.S. Senate moved to end decades of creeping mediocrity in our water pollution programs. It voted out a bill to impose the first direct effluent controls on industry and the first minimum treatment levels on municipalities. It also set a zero discharge goal for 1985. When he submitted this bill to the full Senate in November, 1971, Senator Edmund S. Muskie said: "These policies . . . simply mean that streams and rivers are no longer to be considered part of the waste treatment process."

The House of Representatives later weakened some of the key provisions, but it also made the land treatment preference much more explicit by accepting what is now known as the Vander Jagt amendment. This amendment, written into Section 201 of the 1972 Water Pollution Control Act Amendments, contains the most important language on sewerage in any American law. It states in part:

(d) The Administrator [of EPA] shall en-

courage waste treatment management which results in the construction of revenue-producing facilities providing for—

- (1) the recycling of potential sewage pollutants through the production of agriculture, silviculture or aquaculture products, or any combination thereof;
- (2) the confined and contained disposal of pollutants not recycled;
- (3) the reclamation of wastewater; and
- (4) the ultimate disposal of sludge in a manner that will not result in environmental hazards.

Today in Representative Vander Jagt's own district the Muskegon County wastewater system embodies most of these ideas. When it reaches peak capacity sometime around 1990 it will collect 43MGD of raw sewage and industrial wastes from the Lake Michigan end of the county, pump them 15 miles eastward, treat them bacterially in aerated lagoons, store them in a much larger lagoon where the solids will settle out, spray-irrigate the secondary effluent on 6,000 acres of cropland, recapture the clear percolate in wells and underdrains and discharge it into watercourses leading back to Lake Michigan. Biological sludges from the lagoons will be plowed into the soil, improving its tilth.

The Muskegon system is expected to generate agricultural profits of \$240,000 to \$360,000 a year (at 1970 prices) from the sale of grass and grain crops. Non-irrigated buffer strips will accommodate the county's solid wastes until a method for recycling them is found; at \$2 per ton, solid waste revenues should reach \$300,000 a year.

Potentially, the Vander Jagt amendment gives environmentalists enough leverage to pry EPA out of its sewage-disposal rut. A sewage irrigation revolution is now possible. There is a very strong likelihood, however, that this revolution will be delayed for years, perhaps even decades. The sanitary engineering lobby, with its fists deep in the public works pork barrel, is fighting a stout rearward battle. It enjoys the support of most state water quality agencies. And EPA has hunkered down for a long duel with Representative Vander Jagt and the small but growing band of land treatment advocates. The agency is genially ignoring the Vander Jagt amendment while it pumps billions of dollars into the relic sewage mills of the sanitary engineers. If the land treatment alternative is ever to get a fair trial in our metropolitan areas, conservationists will have to rouse themselves from the deep technological torpor they have shared with the sanitarians for the past century.

ANNOUNCEMENT OF HEARINGS ON FEDERAL EMPLOYMENT PROBLEMS OF THE SPANISH SPEAKING

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. EDWARDS of California. Mr. Speaker, the Civil Rights and Constitutional Rights Subcommittee of the House Committee on the Judiciary will continue its hearings on the Federal employment problems of the Spanish speaking on Monday, July 1, 1974, with testimony from the Department of the Interior.

Hearings will commence at 10 a.m. in room 2226 Rayburn House Office Building, Washington, D.C. Persons wishing to submit statements for the record may

write to the Judiciary Committee, 2137 Rayburn House Office Building, Washington, D.C. 20515.

HYPOCRISY AND CHROME

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. ASHBROOK. Mr. Speaker, today the House Foreign Affairs Committee began markup of a bill which would repeal the Byrd amendment. This amendment allows American consumers to import strategic material from Rhodesia.

Opponents of the Byrd amendment contend that it places the United States in violation of a United Nations embargo resolution. Such violation, they argue, is unique as other countries have scrupulously abided by the sanctions resolution.

While some opponents of the Byrd amendment still cling to the myth of compliance by other countries, their faith must have been shaken recently when it was conclusively demonstrated that Japan has been importing over 25 percent of its chrome requirements from Rhodesia over the past 5 years.

Japanese chrome buyers used forged South African certificates to evade the embargo—a policy apparently winked at by the Japanese Government, which has had an official commercial representative in Salisbury ever since the embargo was imposed.

If there is anything unique about the American approach to the Rhodesian question, it is honesty. For 5 years, the United States scrupulously, if unwisely, abided by the sanctions resolution while other countries flagrantly violated it.

Then, in 1971, we openly acknowledged the economic and strategic necessity of importing a narrow range of critical raw materials from Rhodesia. Our competitors in the world steel market spoke disapprovingly of our "violation" of the sanctions, while they continued forging documents, falsifying import figures, and smuggling chrome through Mozambique.

The Byrd amendment placed the United States apart from the hypocrisy of other major steel-producing countries while preserving our access to a vital raw material. This action was certainly the prerogative of the Congress. The U.S. Congress—not the United Nations—sets American policy. The U.S. Congress has the right to enact legislation to protect our national security and our economy.

I invite the thoughtful attention of my colleagues to an article recently appearing in the Journal of Commerce concerning this issue:

[From the Journal of Commerce, May 22, 1974]

JAPAN SEEKING TO CLOSE LOOPHOLES ALLOWING RHODESIAN CHROME IMPORTS (By A. E. Cullison)

TOKYO.—Officials of Japan's Foreign Ministry are engaged in a series of discussions with the nation's powerful Ministry of Trade in an attempt to close serious loopholes which apparently are allowing local import-

ers to secretly purchase many thousands of tons of Rhodesian chrome ore each year.

Despite the stated intention of the Tanaka government to abide strictly by the resolution of the United Nations banning such dealings with the white-ruled African state, such illegal dealings seem to be continuing.

Speaking of talks which were held again on Monday, a spokesman for the Ministry of International Trade and Industry (MITI) said today it is Japan's policy "to ban all trade with Rhodesia and we have done our best in the past to follow this policy."

Unfortunately for this determination of Trade Ministry authorities, it is believed in Tokyo that some 193,000 tons of Rhodesian chrome ore illegally entered Japan in 1972 by way of South Africa. It is not yet known how much these unauthorized shipments amounted to throughout last year.

But in order to avoid continuous suspicions concerning similar shipments, the Foreign Ministry is applying pressure on the trade officials to adopt several new measures to be applied to present imports of Rhodesian chrome ore through South Africa or any other nearby nation.

"If there are new measures which we can take," the MITI spokesman told *The Journal of Commerce*, "we are intending to take them. But so far we haven't come up with any new steps that we can take. We have been honoring the ban and we still are continuing to study new measures."

REQUIRE CERTIFICATE

During Monday's conference between officials of the Japanese Foreign Office and the Trade Ministry, it was suggested by the foreign affairs experts that MITI require a certificate on all chrome ore shipments from the government of South Africa showing the exact railway transport routes followed and another from private South African trading firms handling the ore stating the particular mines involved.

Yet the Trade Ministry spokesman sidestepped questions concerning these measures today by commenting:

"It seems it is very difficult technically speaking, to do something more than what we are already doing, although if there are some measures we would go ahead and take them."

However, the Foreign Office appeared more optimistic. Tadayuki Nomiyama, deputy director of the Political Division, United Nations Bureau of the Foreign Ministry, expressed his hopes that the Trade Ministry will agree to new procedures which will tighten import regulations regarding future shipments from South Africa.

Mr. Nomiyama added that the Foreign Office intends to have further meetings with the trade officials until something is worked out. He did not say how long he thought this might be.

"We have not yet decided what we are going to do," he explained, "and there are a number of proposals which exist and they (MITI) cited some of the measures they say they are thinking of—the railroad consignment note and so on—but it is still under discussion."

He confirmed that the various new official steps proposed to the Trade Ministry were suggested by the U.N. Sanctions Committee originally and merely passed along by his division. It was this committee which took issue with the fact that Japanese statistics listed 1972 imports of chrome ore from South Africa totaling 445,000 tons, while the South African Government put that nation's chrome exports to Japan at only 252,000 tons.

It has long been something of an open secret among Japanese business interests

that at least three Tokyo trading houses have been heavily involved in importing Rhodesian chrome ore disguised as originating in South Africa. The certificates of origin were reported to have been issued by the South African Chamber of Commerce.

BAN APPROVED

The Japanese Government approved a complete ban on all trade with Rhodesia (with some minor exceptions) at a cabinet meeting in 1969 when the U.S. sanctions were first announced. Strict administrative measures were then imposed by the Trade Ministry authorities.

Latest efforts by the Japanese Foreign Ministry to track down and close likely loopholes followed notification by the U.N. sanctions committee on Rhodesia in August of last year that the discrepancies in Japan's official trade figures had aroused considerable doubts about false records.

A number of Japanese trading firms already have been questioned by the Tanaka administration on this point of possible forgeries in an effort to detect international violations of the sanctions, not only where Rhodesian chrome ore imports are concerned but also involving similar discrepancies and the likelihood of disguised shipments of Rhodesian asbestos and tobacco.

This subject is extremely sensitive to the Japanese, mainly since such possible violations of the U.N. sanctions could greatly embarrass Tokyo in its trading operations with black African countries so strongly opposed to white-ruled Rhodesia.

Japan's foreign ministry hopes to completely clean up the problem one way or another well before this fall's U.N. General Assembly meeting and thus perhaps forestall a possible attack on the issue by representatives of the black African nations.

However, in discussing the issue with private Japanese business leaders in Tokyo yesterday, *The Journal of Commerce* was informed with considerable bitterness that the rest of the world's large industrial countries are similarly engaged in importing Rhodesian chrome. The question was frequently asked why Japan should be troubled by the problem.

THE NATION'S FIRST BALE OF COTTON

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. DE LA GARZA. Mr. Speaker, early in June, the Nation's first bale of cotton for this year was ginned in Hidalgo County in the 15th Congressional District of Texas.

Crispin Gamez produced the cotton on his farm near the town of Pharr. And this is the third time in the last 4 years that Mr. Gamez had the first bale. Winning the honor has become a habit with him.

This year's bale is no skimpy affair. It weighed in at 518 pounds—a healthy bale, as any cotton man knows.

I am proud of this opportunity to let my colleagues know how we do things in south Texas. And I convey my congratulations to Mr. Gamez who in addition to the honor of being first, collected \$1,445 in cash prizes for the first bale.

PROFITMAKING SCHOOLS

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. BELL. Mr. Speaker, in December 1973, I introduced with my distinguished California colleague (Mr. PETTIS) H.R. 11927, the Postsecondary Education Consumer Protection Act of 1973. The tremendous need we have for establishing regulations that will protect our students from being victimized by fraudulent postsecondary education programs is further evidenced in an article from the series by Eric Wentworth presently being run in the *Washington Post*. I sincerely hope that examples of the sort described in this article will help to encourage hearings on our bill later this summer. The text of the article, which I respectfully call to the attention of my colleagues, follows:

[From the *Washington Post*, June 23, 1974]

PROFITMAKING SCHOOLS

DECEPTION AND EXPLOITATION CHARGED

(By Eric Wentworth)

Businessmen who run schools to make money have, in many cases, been exploiting federal student aid programs at the expense of the young Americans those programs are supposed to benefit.

Salesmen motivated—like the schools' owners—more by earnings than educational ideals have gone hunting for customers in the ghetto of Atlanta, Boston and Los Angeles, in Greenville, S.C., and Shreveport, La., in the public housing of Ardmore, Okla., in the food stamp lines of San Antonio, Tex., in the barracks of Army bases in West Germany and even in a halfway house for mental patients in the Pacific Northwest.

Dangling dreams of quick training for well-paid jobs as computer programmers, color-television technicians, executive secretaries, motel managers or airline hostesses, they have lured young consumers into contracts that often lead to debts and disillusionment.

One victim, an Atlanta welfare mother, complained a finance company was dunning her to repay nearly \$500 on a federally insured student loan for three weeks she spent at a local business college. She dropped out because conditions were poor and the school wanted more money.

Another, a veteran in Duluth, Minn., wrote his congressman in desperation because a Chicago bank was demanding a \$405 repayment on his student loan which he didn't think he owed. He had been lured into a correspondence course in color-television technology, dropped out because the course proved too difficult, and said the school was refusing to help straighten out his problems with the bank.

In another case, a group of young people recruited by an airline personnel school in Hartford, Conn., through what they allege were numerous false claims are suing the school for damages. The majority had been signed up to federally insured loans to help pay their tuitions.

Salesmen eager for commissions have often failed to spell out the financial fine print when they sign up unsophisticated customers to enrollment contracts and loan applications. They have sometimes misled them to think, for example, that they will only have

to repay their loans after landing that job for which they'll be trained.

Many young customers come from low-income families, hold unrewarding jobs—if they're employed at all—and have missed out on less costly educational opportunities such as public community colleges.

PROTECTION LACKING

Yet the government, while offering subsidies for their schooling—subsidies which salesmen use as bait—has failed time and again to protect these young Americans from fraud and needless financial losses.

At the same time, the government has failed to protect the taxpayer. It has doled out tens of millions of dollars on insurance claims for defaulted student loans and tens of millions more on GI Bill benefits for wasteful correspondence courses.

These conclusions result from months of reporting by The Washington Post on education's profit-seeking sector and the public and private agencies which are supposed to keep it honest.

The multibillion-dollar industry has thousands of members, from mom-and-pop secretarial schools in small Southern towns to nationwide chains and correspondence course factories owned by International Telephone and Telegraph, Control Data, Bell & Howell, Montgomery Ward and other large corporations.

While enrollment figures vary widely, the Federal Trade Commission has estimated that industrywide total at more than 3 million students—which would be at least one-third of the total for all public and private nonprofit colleges and universities. Bell & Howell alone recently reported 150,000 students in its correspondence courses and another 10,000 in classrooms, which would make it as large as the entire University of California system.

What sets the industry's members apart from UCLA, Yale or your local community college is that they're all commercial ventures, selling education for profit.

A number of businessmen-educators undoubtedly run respectable operations. Advance Schools of Chicago, one of the big correspondence schools relying heavily on federally insured loans and the GI Bill, is eyed askance by some who find its reputation somehow too good to be true. But Sherman T. Christensen, founder and now chairman of Advance Schools, makes a strong case that practices ethical and fair, its courses properly educational and its 72,000 students relatively satisfied.

On the other hand, scores of interviews with a variety of sources and scrutiny of numerous public and confidential files have turned up many examples involving other schools of deceptive advertising, predatory recruiting, wrongful withholding of refunds and other unscrupulous or irresponsible practices.

Industry spokesmen, sensitive to occasional exposes, contend profit-seeking schools shouldn't be singled out for criticism. After all, they argue, nonprofit colleges, hard-pressed to fill classrooms and balance budgets these days, have begun resorting to commercial recruiting tactics, too.

But the fact remains, based on available evidence, that it is in the profit-seeking sector where abuses have been more frequent and extreme, and where the human as well as the public costs have so far been the greatest.

Dropout rates have exceeded 50 per cent and run 75 per cent or more in many correspondence schools. True, rates are also high among nonprofit private and public colleges—where one 1971 study showed fewer than half the freshmen would finish two-year programs and only one-third would finish four years.

But the profit-seekers, selling shorter courses aimed at specific careers, could be ex-

pected to have lower rates than most. Their dropouts, who in most cases have signed contracts to take and pay for an entire course, often quit at any early stage. Students at nonprofit colleges usually pay by the semester, and dropouts tend to leave at semester's end.

Neither profit-seeking nor nonprofit schools boast perfect scores in graduate job placements—witness recent reports of Ivy League graduates driving taxicabs. But for the profit-seekers, training for jobs—stripped of broader educational objectives—is the name of the game.

Certainly profit-seeking schools have been setting the pace when it comes to marketing. They advertise widely in all sorts of magazines—from Penthouse to Popular Mechanics—as well as newspapers and the Yellow Pages. They promote their services on matchbook covers and postcards, as well as television. Some use mass mailings. Others canvass by telephone. And those that find salesmen productive.

According to a detailed 1970 report on the industry by Edubusiness, Inc., of New York City, profit-seeking schools generally spent only about 20 per cent of their budgets on instruction but up to 60 per cent on marketing.

"Good sales representatives," Edubusiness reported, "command annual salaries considerably higher than those according to the teaching staff."

One recent example was the magazine ad to recruit salesmen run last fall by Atlantic Schools, a subsidiary of National Systems, Inc., selling courses in the airline-travel field. "Generous commissions!" the ad promised. "Just five sales per month can earn you over \$10,000 annually. Many of our salesmen earn more than \$20,000 per year—and up to \$60,000."

Weaver Airline Personnel School, advertising for salesmen in The Washington Post help-wanted columns last Nov. 18, offered salesmen "high commissions plus monthly annual bonuses and our TOP reps have won extra bonuses, from a car to a European vacation."

While some profit-seeking schools for one reason or another have shunned heavy involvement in federal programs, others have increasingly used them to fullest advantage to enroll large majorities of their students.

In the federally insured student loan program, for example, profit-seeking schools generally have been accounting for about one-third of the total multibillion-dollar volume. But in the 1973 fiscal year, according to government figures, three school owners alone—Advance Schools, Bell & Howell and Montgomery Ward—enrolled more than 200,000 insured-loan borrowers. In the January-March, 1973, quarter, those same three accounted for more than \$45 million in new-loan volume, or nearly 20 per cent of the total for all institutions in the program.

And according to Veterans Administration data published last fall, a dozen profit-seeking schools each enrolled more students under the GI Bill during 1972 than even the largest state university campuses.

Profit-seeking schools gained access to the federal student subsidies in the mid-1960s. Congress followed the precedent of prior veteran-aid programs in including them when it revived the GI Bill in 1966. The lawmakers made them eligible for the insured-loan program, and since then for other Office of Education student aid, on grounds that vocational education under all legitimate auspices merited more recognition and support.

Eligibility for these programs greatly broadened the potential student market for profit-seeking schools by giving millions of young people the financial means to enroll. It was doubtless a factor, in the late 1960s, in attracting Bell & Howell, McGraw-Hill, Montgomery Ward, Control Data, ITT, Lear Siegler, LTV and other corporations into

what seemed a lucrative new field. Their involvement, through acquisitions and new ventures, brought fresh resources and apparent respectability to an industry still dominated numerically by far smaller enterprises.

Education profits have in fact proved elusive for many companies, large and small. A variety of management problems, the rising rivalry of low-tuition public community colleges, and a roller-coaster national economy have spelled slim earnings for quite a number and heavy losses for some; LTV and Lear Siegler have cashed in their chips.

Most companies, however, are staying in the game. And the industry as a whole has clearly emerged from the educational backwaters it inhabited for decades into the mainstream. Looking ahead, school owners can expect a new boon for recruiting if the government's recent "basic opportunity grants" for low-income students are funded at more than \$1 billion as the Nixon administration has proposed.

DEVELOPING SHIFT

Moreover, they stand to gain at least in the short run from the developing shift in student goals away from traditional liberal arts degrees and into programs geared toward work-world careers. Meat-and-potatoes career training, after all, is the industry's long-claimed specialty.

North American Acceptance, in turn, was acquired and owned until recently by Omega-Alpha Corp., the conglomerate that financier Jim Ling put together after his ouster from control of LTV.

Under new ownership, Blayton built enrollment by aggressive recruiting. By one account, a team of salesmen would telephone local high school graduates. The salesmen would offer them a ride to the school in a company-owned station wagon to inspect its facilities—including the plushly furnished president's office and reception rooms—and to view a recruiting film.

Those persuaded to enroll would be signed up, in practically every case to a federally insured loan from North American Acceptance. All told, according to Office of Education estimates, the finance company's insured-loan volume soared by last summer to \$1.3 million.

By last August, however, the federal agency's Atlanta office became concerned by Blayton's high dropout rate and a growing number of loan defaults and complaints from onetime students.

One handwritten complaint came from Linda Sloan, an Atlanta welfare mother. "I have received a number of letters and telephone calls from North American Acceptance," she wrote. "They are asking for money that I do not think they deserve. They are telling me that I borrowed almost \$500 from them. I have never been there before in my life. This money is for a couple of weeks that I went to Blayton Bus. College.

"I signed a contract but was not permitted to read it because they said that it changed so often that 'by the time you start classes it will be different.' I was also told that during the first week of school, I would be offered a job." (None of this was true.)

"I went for about three weeks," she continued, "and after I found out that I was expected to pay over \$1,000 I went to the office and told them I had quit. All they said was o.k. They didn't even make a note of it.

"I have been telling these people that I do not have a job, but they keep making all kinds of threats. They say I went to school for 35 days. I did not. I didn't even have a perfect attendance record the short time I was enrolled. The conditions there were poor, and I think it is unfair for them to force me to pay this much money for nothing. . . ."

STUDENT WALKOUT

Last Aug. 20, an estimated 150 students—three fourths of Blayton's largely black total enrollment at the time—staged a walkout to

dramatize their complaints about the school. Their long list of grievances included a misleading catalogue (in which white employees of North American acceptance allegedly posed in photographs as students so it appeared the school was integrated), low admissions standards, unqualified teachers, insufficient equipment, unavailable courses, deceptive sales pitches and exorbitant tuition.

The students were also upset by the resignation of Mrs. Terry Davis, the school's black placement director.

Mrs. Davis said she had become disenchanted herself by the school's inferior quality, which made it hard for her to find jobs for its graduates, and was frustrated by undue restrictions on her work. The last straw came, she said, when the school's administrators—who claimed later that she had been unproductive—sought to hire a second placement director without telling her.

The Blayton students who walked out evidently hoped their demonstration would force the school to make some improvements. Student protests had been common enough on college campuses. Occasionally they had led to violence—far more often, to reforms.

The last thing the Blayton protesters expected was that the school's administrators would summarily expel them. But that, in fact, was what happened.

And with publicity about the protest causing enrollment cancellations among fresh recruits scheduled to start classes in October, Blayton officials decided they would simply close down the school when the summer term ended.

While the expelled students reportedly had partial refunds credited to their North American Acceptance loan accounts, depending on how long they had been enrolled, they were still faced with repaying the rest of their loans—for an unrewarding, unfinished, dead-end education.

Edward L. Baety, a lawyer retained by Mrs. Davis to represent her and the students, decided to file suit against North American Acceptance to free the students if possible from their repayment obligations.

He was "on the way to the courthouse," Baety said, when he picked up a newspaper, read that North American was filing for bankruptcy, and gave up his mission.

HUGE LEGAL TANGLE

Baety said recently he saw little hope for the students in adding another, relatively minor lawsuit to what has become a monstrous legal tangle. The collapse of North American Acceptance (sold by Omega-Alpha last August to GCI International, Inc., a California holding company) has touched off a flurry of investigations plus class-action suits on behalf of some 12,000 Georgia investors who were left holding an estimated \$40 million in short-term North American Acceptance notes.

And the Blayton students weren't out of the woods. Robert E. Hicks, North American's court-appointed trustee, said he was legally obligated to "maximize" the finance company's assets in the interests of its creditors. That meant, he added, that an "effort will be made"—however unpopular—to collect from the student borrowers.

Should the students refuse to repay their loans, North American Acceptance through its trustee would presumably file claims for federal insurance on the defaults. And if the government paid those claims, it would then set about collecting from the students itself.

As things stand, the insured loan program allows forgiveness of debts only for death, disability or personal bankruptcy.

Time and again, where a profit-seeking school misled or short-changes its students, overlooked Office of Education collection officials have been later assigned to extract money from the victims.

Said one official, "I can't find it in my own conscience to go out and collect from these people."

CORRECTION

The first article in this series published Sunday, described events last year at Blayton Business College in Atlanta as an example of what can befall students in the absence of effective regulation of such schools.

Blayton was accredited by the Association of Independent Colleges and Schools, approved by the Georgia Department of Education and eligible to enroll students under the federally insured loan program.

Blayton, originally a local family venture, had been acquired in 1971 by American Schools, Inc., which was owned in turn by North American Acceptance Corp., the finance company that made federally insured loans to most students enrolling at the school.

Paragraphs containing these facts about Blayton, which shut down after student protests last August, were inadvertently omitted from the Sunday article.

FREEDOM FOR THE PANOVS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. BIAGGI. Mr. Speaker, freedom-loving people everywhere, as well as admirers of the creative arts, will rejoice that the Soviet Union has released Valery and Galina Panov so that they may emigrate to Israel.

Panov, formerly one of the leading stars in the Kirov Ballet, and his wife, Galina, had sought for 2 years to obtain visas to emigrate to Israel. Upon applying for such visas both performers were dismissed from their jobs. Despite official Soviet harassment the Panovs persisted in their goal to emigrate. Not despairing, both Valery and Galina continued to practice their ballet exercises in their Leningrad apartment.

In December 1973, the Communists in order to further oppress this courageous couple gave Valery a visa but refused to provide Galina with one. Eventually, as a result of the outcry in the free world, particularly among members of the artistic professions abroad, the Soviet authorities relented and provided both Panovs with visas.

Having visited the U.S.S.R. last year and met with Jewish dissidents, I fully appreciate the ordeal they undergo in order to secure the right to leave for Israel. Accordingly, earlier this year I joined colleagues of this body in urging the Soviet authorities to allow both Panovs to emigrate.

What especially upsets me in this connection is that President Nixon in his commencement address at Annapolis maintained that the issue of Soviet Jewish emigration was an internal problem, and that the United States should not tell another country how to manage their governments. Actually, when Members of this House and other humanitarian-minded Americans protest Soviet anti-Semitism they are not motivated by the need to dictate internal policies to the U.S.S.R. What we are doing in these protests is remaining loyal to our tradition as a defender of human rights. People in this Nation, to their credit, have always

opposed injustice abroad. Their motivation stemmed from a desire to support freedom.

As President Nixon prepares for his historic visit to the Soviet Union, it is my hope that in the interests of so-called détente, he does not neglect the plight of the Soviet Jews in negotiations with the Kremlin. Thousands of Jews are being harassed on a daily basis in the U.S.S.R., and they and the free world pray that President Nixon will use his influence to secure the exit visas that these Jews merit.

SPANISH-SPEAKING AMERICANS NEED BETTER LEGISLATION

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. ROYBAL. Mr. Speaker, my good friend and fellow Californian representing the State's 8th District, on May 28, 1974, testified before the Census and Statistics Subcommittee on Post Office and Civil Service in support of my bill House Joint Resolution 1030 to improve the collection and publication of Federal statistics relating to Spanish-speaking Americans.

Without an accurate census, it is impossible to provide education, welfare, housing, and other necessities to this large group of Americans with any degree of efficiency. This legislation is vital if we are to attain a fair distribution of governmental funds in accord with human needs and to respond to the grievances of the Spanish-speaking people.

Congressman FORTNEY STARK's remarks on House Joint Resolution 1030, which he cosponsored, merits the attention of all Members of the House, and I include them at this point in the RECORD:

TESTIMONY OF HON. FORTNEY H. (PETE)
STARK

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to come before you and express my full support for H.J. Res. 1030; an issue whose time has most certainly come and an issue that we should address ourselves to quickly and decisively.

On the surface, the resolution appears rather cold and simple: it instructs the appropriate Federal agencies to compile figures on the demographic, economic, and social conditions of Spanish speaking Americans. The Resolution does not introduce new, costly programs for the Spanish speaking people. It makes no promises for better jobs, improved education, or decent housing. It merely insists that accurate and complete information be collected on this all too often "invisible" and "forgotten" group.

And yet, this resolution could mean as much to these people as any previous legislation passed by Congress for the sad and embarrassing truth is that we do not have competent statistics that have been selected and organized to describe the social and economic conditions, trends and concerns of the Spanish speaking in this country. We do not know how many Spanish speaking Americans there are. We do not know where they live. We do not know the social and economic conditions under which they live. We need

detailed information on the health, education, employment, income, housing, leisure, and population status of these Americans. As long as we remain uncertain, uninformed and unaware of their plight and hardships, the Spanish speaking in this country will continue to be invisible and forgotten.

To those unfamiliar with the subtleties of injustices to minorities, asking for numbers, estimates, projections—computerized print-outs based on scientific methodology—might appear a simple task. In fact, many people may erroneously believe that the Bureau of the Census already performs this function with cold, objective honesty.

To the contrary, it is because the government's data collecting systems are so highly mechanized that it is so easy for insensitivity to persons of Spanish speaking background to permeate the work and result in discriminatory treatment. A recent study done by the U.S. Commission on Civil Rights declared that the Bureau of the Census has failed drastically to correctly identify and record the living conditions of the Spanish speaking in this country. A conservative estimate is that over 10% of the Spanish speaking population was not counted during the 1970 Census operation.

The report found the Bureau insensitive and unfamiliar with the unique problems of the Spanish speaking that must be understood and overcome if useful and complete information is to be received. The Bureau employed very few Spanish speaking personnel and they were not used to effectively develop methods to reach the Spanish speaking in this country.

The Bureau, and other Federal agencies responsible for collecting population data, fail to seek the advice or participation of Spanish speaking organizations and individuals in developing their programs for data collection; nor do they offer bilingual questionnaires to all Spanish communities.

These Federal agencies explain their failure to properly identify Spanish speaking Americans in terms of increased cost, difficulty in asking proper questions, need to generalize, and unimportance of data. The disastrous results of following this limited approach and using the incomplete data thus obtained is, however, far more serious than any initial problems that its collection might raise.

Until we know exactly where, and under what type of social and economic environments the Spanish speaking of this country live, our efforts to improve their lives and offer real hope for success are little more than shots in the dark. We cannot know if we are reaching those in need with the type of assistance they can and will use without complete information.

Current demographic, social and economic statistics on persons of Spanish speaking background are needed by Federal agencies, State and local governments, private organizations and individuals for a variety of purposes including protection of voting rights, the administration of assistance programs, and the assurance of equal employment opportunities.

An undercount of the Spanish speaking population may seriously limit and infringe upon their franchise by denying them the full representation in State and Federal legislatures they deserve. Voting age data is necessary to determine whether, because of a language barrier, persons have been denied their voting rights. If, as many of us believe, this is the case, then bilingual voter assistance programs must be enacted immediately.

Federal aid to State and local governments is often allocated on the basis of demonstrated need. The size of the population to be served and its social and economic characteristics, as recorded by the Census or other population count, are the primary factors taken into account in determining that

need. Therefore, an undercount, or incomplete information on environmental conditions, would mean insufficient funds for the education, manpower training, housing and social assistance programs in the community. It would also severely limit the Spanish speaking community's opportunity to receive special programs for which they may very well qualify, had they only been fully counted.

Effective implementation of Federal Equal Employment Opportunity programs is also dependent on the statistics of the ethnic minorities in the area. Once again, incomplete accountings of the Spanish speaking population will result in incomplete employment opportunities—perhaps not even out of malice or prejudice on the part of employers, but simply by their acceptance of the Federal government's ignorant and inaccurate population figures. This, I believe, is even worse than bigotry.

The need to implement this resolution is very clear. I share the fear of many that tens of thousands, perhaps millions, of Spanish speaking citizens are being denied their rights and opportunities simply because this government has failed to count—failed at a basic arithmetic, yet humane, task of identification. Our success in future efforts for the Spanish speaking in this country will depend on our ability to receive the accurate data this resolution would insure.

We need to make this first, crucial step forward. We need to make a sincere commitment, both ideological and financial, at both the Congressional and Executive levels, to employ whatever innovative and comprehensive methods we need to count the "forgotten". We must call on bilingual and sensitive persons from the Spanish speaking communities and ask their advice on how best to insure the complete picture materializes from our counts.

We must make bilingual questionnaires easily available and provide assistance to those unfamiliar with filling out these type of forms. The identification of Spanish speaking persons must be simplified by including a comprehensive "Spanish origin" section on every form. We must be creative, and we must be thorough, but most of all we must begin now. The Spanish speaking Americans have been forgotten long enough.

OUTRAGE IN THE SUDAN

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mrs. GRASSO. Mr. Speaker, Monday's release by the Sudan of the eight Palestinian guerrillas who killed a Belgian and two American diplomats in March 1973 is an outrage, a travesty of justice, and an insult to the memory of those valiant murdered men. By turning the convicted terrorists over to the Palestinian Liberation Organization, President Nimeiry has broken his word and virtually guaranteed freedom to the perpetrators of this ruthless act.

The toll of innocent victims of Arab terrorism has been rising. Yet, appalling as it is, with the exception of Jordan, no Arab nation has made any serious attempt to bring these criminals to justice. Yesterday's action by the Sudanese Government can only serve as an invitation to Arab terrorist groups to continue their campaign of violence and brutal disregard for innocent lives.

MIXED-INCOME SUBSIDIZED HOUSING, MASSACHUSETTS TRIES MIXING INCOME GROUPS IN SUBSIDIZED HOUSING

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HARRINGTON. Mr. Speaker, an article by Liz Gallese on mixed-income groups in Government-subsidized housing appeared in today's Wall Street Journal.

Through various means, including favorable interest rates and tax concessions, developers in Massachusetts are encouraged to construct high-quality housing in which families of all income levels can live together. Studies of existing projects provide strong evidence that members of all income groups are happy in such mixed arrangements and many of the traditional problems of public housing are overcome.

For lower-income groups these projects provide better neighborhoods than would be accessible otherwise. For middle-income groups they provide an alternative to the soaring costs of private homes and condominiums. Upper-income groups are attracted by the high-quality design, construction, and management. I can testify from the experience in Massachusetts as I have seen that the Massachusetts Housing Finance Agency should provide a model in developing Federal policy and, therefore, I would like to insert this article in the RECORD at this time for the information of my colleagues:

LIVING TOGETHER—MASSACHUSETTS TRIES MIXING INCOME GROUPS IN SUBSIDIZED HOUSING

(By Liz Roman Gallese)

BOSTON.—For nine years, Mary Griffin, a 43-year-old disabled welfare mother, endured the spirit-sapping indignities of poor housing. She paid \$75 a month for a small apartment in the West Broadway Development in South Boston, one of the most dilapidated public-housing projects in the city. The hallways were filthy, and roaches infested her apartment. Worst of all were the constant fears for her own and her children's safety. Once a gang of juveniles jumped her 20-year-old son—he partially lost his sight as a result—and threatened her 11-year-old daughter. "After that I walked Muffie to and from school and wouldn't let her out," Mrs. Griffin says.

After searching for three years for a decent place that she could afford on her \$266 monthly income, Mrs. Griffin moved her family two years ago into Queen Anne's Gate Apartments, a landscaped, modern housing project where poor, middle-class and affluent tenants live side by side. The low income tenants pay no more than 25% of their income for housing and middle-income tenants 25% to 40% of their income, while those who can afford it pay full market rent.

Set amid trees and rolling hills in the suburb of Weymouth, Queen Anne's has a clubhouse, swimming pool, tennis courts and children's playground. Mrs. Griffin pays \$57 a month for a two-bedroom unit with a modern kitchen, bath with vanity, wall-to-wall carpeting and exposed brick walls. "It's wonderful," she says. "We're meeting people from different backgrounds, yet I've still got my pride."

STEMMING SEGREGATION

Neighbors Fred and Winnie Carleton, a semiretired couple earning \$22,500, pay \$319 a month for a unit similar to Mrs. Griffin's. "We love it," Mrs. Carleton says, "Oh, sometimes we think we're paying top dollar for what welfare people are getting for free, but we don't mind."

Since the 1930s, government-subsidized housing has segregated the poor in huge projects that invariably have turned into ghettos. By introducing the concept of mixed income housing, the Massachusetts Housing Finance Agency, an independent agency created in 1968 by the state legislature, hopes to better integrate the poor into the community and at the same time provide much needed housing for the middle class. Though it has been criticized for admitting too few minority tenants and has had some difficulty attracting high-income tenants, the experiment has so far been encouraging enough to make it a likely model for future national housing policy.

Like housing financing agencies in 31 other states, which together have put up about 400 projects containing 120,000 units, the Massachusetts agency finances subsidized housing by granting low-cost loans to developers with money raised by issuing tax exempt notes and bonds. But unlike other state agencies, it insists that developers admit both tenants who pay the full market rent and at least 25% low income tenants, as required by Massachusetts law.

HIGH RISES AND STUDIOS

The agency's 157 projects house an average mix of 34% low-income, 50% moderate-income and 16% full market tenants, with appropriate income levels of under \$6,000, between \$6,000 and \$12,000 and up to \$30,000 respectively. (Some early projects are either all low income or a mix of low and moderate income housing rather than the 3-level mix.) An income limit of six times annual rent is set by law.

The complexes are built in a variety of settings: Residents of Boston's Church Park walk to shops, parks, and theaters; at Cromwell Court at Hyannis. Units are minutes away from Cape Cod beaches; artists in Plano Craft Guild, a rehabilitated Boston piano factory, have studio as well as living space.

Much of the impetus for mixing income and racial groups has come from William J. White, the Massachusetts agency's 47-year-old executive director. "Personally, I never believed people should be segregated, either in low-income projects or in middle-class suburbs," he says. A native of a working class neighborhood in Cambridge, Mr. White started a real-estate development and brokerage concern and during the 1960s pushed hard for the state's Fair Housing Law, the first in the country to open suburbs up to previously excluded racial and religious groups. "Mixed-income housing is really no big deal," he says. "The whole history of our country has been of different classes living together, farmers sharing lands with merchants, craftsmen and statesmen."

MORE PALATABLE TO SUBURBS?

Most housing experts acknowledge that government-subsidized housing has failed precisely because it has had the opposite effect: It has isolated different income groups from one another. Many experts believe that mixed housing will rectify some of these problems by, for example, making subsidized housing more palatable to suburban communities wary of exclusively low-income projects. Moreover, they applaud the plan's provision for middle-income families, currently being squeezed out of the private market. Because of soaring prices and interest rates, "the middle-class dream of its own turf with that white house has become a nightmare," Mr. White says. "Within the next few years, the outcry (for subsidized housing) will come from this group."

The Massachusetts prototype is beginning to be imitated elsewhere in the nation. State finance agencies in Illinois, Michigan, Minnesota, and West Virginia have already financed some mixed income projects, and other agencies indicate a preference for them. The Massachusetts agency's counterpart in New York, Urban Development Corp., plans mixed communities in New York City, Buffalo and Syracuse, each with at least 5,000 residents. "We're trying to create a microcosm of society and have tenants build the fabric of it," Edward Logue, the president, says.

Federal policy, too, is aimed in the direction of mixed housing. Two years ago, the Department of Housing and Urban Development began giving the poor direct subsidies to find private housing. In May, it began subsidizing private developers who set aside no more than 20% of a complex for low-income tenants. The program will cost \$940 million for 358,000 units over two years.

To counter traditional arguments that mixing races and income groups in a housing complex leads invariably to conflict, the Massachusetts agency brandishes a recently released independent study showing that mixed-housing tenants are happier with their living arrangements than are those living in segregated housing, be it poor, middle class or luxury. In interviews with 197 tenants from 16 Massachusetts projects and 125 tenants from conventional segregated housing complexes, a team of four housing experts found that 89% of the Massachusetts agency's tenants were satisfied, compared with 78% of the comparison group. While such reactions are hardly surprising coming from poor tenants, the study found full-market tenants in the Massachusetts agency's projects and residents of luxury buildings to be almost equally satisfied. The results didn't differ markedly in subcategories, such as satisfaction with one's apartment, neighbors, management and the development as a whole.

Specifically, the researchers found that tenant satisfaction hinges largely on the quality of a project's design, construction and management, rather than on who lives in it. Fully 75% of all tenants surveyed said income and racial mixing was either desirable or didn't matter. Sometimes the most frequent source of tenant dissatisfaction—a project's second-class construction—is erroneously blamed on tenant mix, says Prof. William Ryan, chairman of the department of psychology at Boston College and one of the authors of the study.

The Massachusetts projects succeed, the study concludes, because they are of high-quality design and construction capable of attracting full-market tenants. The researchers say developers of projects designed to house all-subsidized tenants seldom make an effort to construct buildings comparable in quality to the Massachusetts agency's projects.

To assure that its buildings are up to standard, the Massachusetts agency retains the authority to approve or disapprove developers' plans. Sites near noisy highways, airports and railroad tracks or those remote from the rest of the neighborhood are rejected. (But dilapidated inner-city neighborhoods that show promise of improving are often chosen.) Even developers accustomed to building luxury apartments sometimes find the Massachusetts agency's standards more exacting than they had expected. Corcoran, Mullins, Jennison Inc., the Boston-based developer of Queen Anne's Gate, for example, originally submitted plans comparable in design to its standard luxury complexes. The Massachusetts agency made the firm reduce the number of units, enlarge the bedrooms and design a "more distinctive" facade.

Moreover, though, the Massachusetts agency allows developers to screen prospective tenants to eliminate those with histories

of rental arrears, crime or drug problems, its nine-member management department has the final say on selection. Evictions can take place only after professional help fails to correct the situation.

"THE POWER OF MONEY"

A 21-year-old mother of two preschoolers, for example, was evicted from one garden complex after 15 friends staying in her apartment broke the door, air-conditioner and stove and fired a shotgun into the parking lot. On the other hand, a state social worker taught a mother in a western Massachusetts project to better discipline her four children, after 11 neighbors complained about their behavior. Both the family and their neighbors are still living in the project.

Developers learn to live with the agency's stringent controls because the agency is a major source of low-interest capital. "We have tremendous power—the power of money," Mr. White says. Since it was established, the agency has lent a total of \$536 million to 82 developers, \$160 million of that in fiscal 1973. Its interest rates on construction loans have ranged from 3.15% to 7.69% and on permanent 40-year financing from 6.18% to 6.44%, far below conventional rates of three or four points above the prime rate. It requires developers to put down 10% of the construction loans and limits a developer's profit to 6% of the money he puts down.

While that profit is very small, there are some advantages to taking a loan with the agency: Interest rates are far lower than conventional financing, the amount of time to pay back the loan is 40 years rather than half that time and, of course, the money market is currently tight. In addition, developers actually make most of their money by selling for a sum limited partnerships to individuals who need a tax break.

F. William Smith, a vice president of Boston's Niles Co., says soaring construction and money costs have driven the concern away from conventional financing and the all-luxury complexes it had been building. "Any developer would rather deal with conventional financing," he says. "There's no red tape, a chance for a better profit (10% to 12% annually after four or five years) and no obligation to experiment with social programs that could fail. But in today's market we either use state agencies or build condominiums."

Also, the Massachusetts agency makes loans for projects that conventional financing sources won't touch. Boston's John Cruz Construction Co. got a go-ahead recently for a project in the city's primarily black Roxbury district after being turned down by private lending institutions.

Some developers resist building in poor neighborhoods, and when they do build there, some go to lengths to minimize difficulties with tenants. Niles, for example, built its first Massachusetts agency project—a Boston high-rise—on a site where many elderly had been displaced by renovation and designed it with only one- and two-bedroom units. "We felt comfortable with it," Mr. Smith says, "because the neighborhood isn't good for children and most subsidized units would go to elderly tenants who aren't management problems."

AIMING FOR A BETTER MIX

To prevent the guiding principles of mixed housing from being compromised, the Massachusetts agency is taking steps to assure a better income mix in future developments. It is more actively recruiting minorities, for example, as a result of the study's criticism that two-thirds of the black tenants were concentrated in the six least desirable projects surveyed and that there were too few minority tenants living in suburban projects (typically they are present only in proportion to their percentage in the community).

To avoid isolating low-income tenants, the

agency is also requiring that 25% of the units be three- and four-bedroom units, distributed evenly through all buildings and rented to all income levels. At one of its first projects, in Lowell, Mass., several-bedroom units were added in a separate wing and were rented only to low-income tenants. This practice resulted in other tenants identifying it as the "low-income wing."

Most of all, the Massachusetts agency is trying to boost the proportion of full-market tenants in its projects, aiming for a mix of 30% low-income, 45% moderate-income and 25% market. "In some developments, we've had trouble getting market tenants, particularly in poorer areas," Mr. White says. (Of 38 units in the Roxbury project, for example, only one is occupied by a market tenant.)

Nevertheless, some affluent families are drawn to the Massachusetts agency's projects precisely because of the mix. A 45-year-old couple with three children recently sold its eight-room home in the prosperous suburb of Wayland and moved into two apartments in Plano Craft Guild, the restored factory in Boston's South End. The husband says: "Wayland isn't a part of the real world of other races and other incomes." His wife agrees: "This was my idea for the best environment for bringing up my children. I'm against the isolation of the way our housing is set up—one house on each 1½ acres. I'm hoping a community will develop here."

THE PAGE POSITION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. LAGOMARSINO. Mr. Speaker, at this time I would like to call to the attention of the House, a group of young men and women who perform endless duties for the Members and our staffs. Their many jobs include bringing documents to our offices, running messages, bringing bills to the hopper, retrieving such things as speeches, and who knows what else.

As a freshmen, I feel fortunate to have a young man appointed from my district. His name is Robert Moore and he is from Ventura, Calif. Today is his birthday, and I would not only like to congratulate him on achieving the grand old age of 17, but also on being appointed to the page position.

Mr. Speaker, I would further like to commend the other minority pages for their work. It seems only fitting that recognition be granted to these fine young people. They are a credit not only to their States, but to themselves:

LIST OF NAMES

Drew Bell, Michigan.
John Berdes, Maryland.
Frank Brody, Maryland.
Meredith Brinegar, Virginia.
Carter Chinnis, Virginia.
Doug Diehl, Montana.
Chip French, Virginia.
Fred Garcia, New York.
Bart Greene, Maryland.
Tim Harroun, New York.
Tim McCormick, New Mexico.
Bob Moore, California.
Bill Price, West Virginia.
Grant Price, Texas.
Brian Rawers, Illinois.
Elizabeth Taylor, Pennsylvania.
Craig Turner, Tennessee.
Mark Von Destimon, Michigan.
Jerry Watterworth, Michigan.

Mark Wells, Texas.
Woody Woodruff, West Virginia.
Mark Wyn, Michigan.

ADDRESS OF THE HONORABLE WILLIAM B. WIDNALL AT COMMENCEMENT EXERCISES OF SADDLE RIVER COUNTRY DAY SCHOOL, JUNE 22, 1974

Hon. PETER H. B. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. FRELINGHUYSEN. Mr. Speaker, on June 22, last Saturday, my good friend and colleague, Representative WILLIAM B. WIDNALL, had the opportunity to address the graduating class of the Saddle River Country Day School, in Saddle River, N.J.

This is a coeducational prep school, which had about 60 graduating seniors in its class of 1974. The ceremonies were attended by 600 to 700 proud parents, friends, and relatives.

I found BILL's remarks to be of great interest, particularly in light of youth reaction to recent events in Washington, and I commend this address to my colleagues' attention at this point in the RECORD:

COMMENCEMENT SPEECH, SADDLE RIVER COUNTRY DAY SCHOOL, JUNE 22, 1974

(By WILLIAM B. WIDNALL)

Honored guests, Headmaster Oglivie, ladies and gentlemen and members of the 1974 graduating class of Saddle River Country Day School. It is a pleasure for me as a friend and neighbor to be here this afternoon to address you on this very significant day in your lives.

When I was putting together material for these comments, a recent cartoon from the Wall Street Journal, immediately came to mind. The drawing shows a commencement scene, such as we have here today. The main speaker, almost ready to present his address, is turning aside to comment to the man next to him. The caption reads "I'm going to tell them that the world is theirs. That ought to scare the hell out of them."

But, before I get into that, I would like to take note of and congratulate you on your achievement—the successful completion of your years of secondary schooling. When you put it that way, it seems like a long time, doesn't it? Nevertheless, it is worth it. You are the products of an educational system which is the most advanced in the world. There are educational opportunities available for all in our society who wish to take advantage of them—this is the one of the good things about America, and, for you, the best is yet to come.

The opportunities ahead are unlimited. New fields and new technologies are opening up throughout the country. There will be even more when you graduate from college. But, to take full advantage of these possibilities, you must be willing to make difficult decisions, and to work hard. You cannot have your education spoon fed to you. You must not be afraid to try a different approach to a problem, one that challenges your intellect. Do not fear failure, since we can always learn from our past mistakes.

This reminds me of a story about Thomas Alva Edison, that great inventor of the electric lightbulb, among other things. Edison tried thousands and thousands of possibilities in his search for the proper material to use as a filament in the bulb. Someone asked him once whether he didn't get depressed, failing so often. Edison replied that he didn't

look upon it as failure, but rather that he had succeeded in eliminating another material in his search for the right one.

For the next few years, during your college days, you will have many decisions to make. You will probably enjoy more freedom to make these decisions than you have ever had in your lives, and you will discover the responsibilities which go along with this freedom. As you sit here this afternoon, probably the thought foremost in your minds is: "Free at last!" It certainly was in my mind when I graduated from high school. You will soon discover, however, that with this freedom you must have self-discipline or you won't make it through your freshman year at college.

Each generation of students seems to be different from the last. They have different goals, different dreams, different ideals. The pendulum regularly swings from right to left. Our country is one wherein this process is relatively peaceful.

To apply this to the college campuses, it seems to me that there has been a marked change there over the past ten years—from militancy to what seems to be apathy. In the 1960's violence, revolution, demonstrations were the norm. Now in the 1970's, when there is no war to mobilize against, the draft has ended, the campuses seem almost somnolent. I suppose this just shows that it is easier to demonstrate against something like war than in favor of something like peace. Streaking doesn't count.

Instead, students today seem to be turning inward. Some have been dropping out—either on hard drugs, marijuana, pills, or they are turning to that most popular addictive drug—alcohol. Others seem concerned with the "self." Thus the advent of the "Jesus" movement and the various popular gurus. Sometimes the closest ties with home during college years seem to be the low weekend telephone rates.

Your generation will be different, as all generations are different, and what you do in the years ahead, will determine in large part, what the rest of your life will be like. This is part of the freedom versus responsibility and self-discipline which I mentioned earlier. How you resolve these opposites will be the determining factor. Vice President Ford described self-discipline on Monday as "doing what is right simply because you know it to be right; or conversely, refraining from wrongdoing simply because you know it is wrong. No motivation justifies the doing of evil."

We in Washington have not fared too well in this regard lately. With all the convictions and sentences being meted out these days, one wonders where to turn for leadership. It brings to mind a prison newspaper motto: "All of us are good for something, we can at least serve as a bad example."

My own experiences in politics have been considerably different from those making headlines today. I have been in Congress since 1950. Prior to that I served in the New Jersey Assembly, and I have never seen anything like what is now being uncovered in Washington today. These men who, incidentally were not politicians, seem to have been hooked on power, and in fact, almost appeared to have lost touch with reality.

The moral, I think, to be drawn from the Watergate affair, can be a warning. All of the men involved were highly educated, having attended some very good schools. It makes one wonder sometimes, about our educational institutions—they seem to be more interested in making people smart than in making them good. These men were smart, but not good. They handled their freedom poorly, with no self-discipline, as defined by Vice President Ford. You should keep in mind that learning is an ongoing process. The intellect is like a muscle, if you don't exercise it, it atrophies.

Right now, you are in your prime learning years, and I hope you will take full ad-

vantage of this opportunity. You are the smartest, best educated group America has yet turned out, and your opportunities are limitless. I hope some of you will choose a career in politics, a very satisfying field where you must keep learning if you are to survive.

To quote Albert Schweitzer: "I do not know what your destiny will be, but one thing I do know, the ones among you who will be really happy are those who have sought and found how to serve."

This is what a career in politics will do for you. It teaches you a great deal, if you're willing to continue the learning process. What I have learned is the absolute necessity for being a good listener. Sometimes this simply involves keeping your mouth shut. Also, I have realized the need for absorbing other people's ideas, in viewing all sides of a controversy before taking a stand, and in being considerate of other people. These are the important aspects of leadership—the human side of politics.

This is where you come in. I believe the advice given to the youth of today by Gordon Strachan during the Watergate hearings—stay away from politics—is totally wrong. Our political system is in constant need of new ideas and new people. I say just the opposite—get involved.

So, you ask, what can I do to get involved? There are all kinds of opportunities in today's world. First of all, be sure to register to vote when you turn 18. This is a very powerful weapon which the youth of today can use effectively. As one young student told me recently: "I think that my generation of voters will make a difference when they realize they can make a difference." Whether your generation leans to left or to the right, you, as voters, can be a very significant factor in American politics.

Contact the party of your choice at its headquarters in Washington, and ask what plans they have for involving young people in volunteer work. Both parties have such plans and they are eager for volunteers. Do volunteer work for someone you support who is running for elective office. This is an election year, and such volunteer help is needed and welcomed by candidates.

Take part in the many internship programs available at the local, state and Federal levels. I am normally able to place three interns, usually college juniors, to work on the Hill for the summer. I believe this is a good way to get youth interested and participating in the political process.

There are many youth groups on college campuses, including the Young Republicans and Young Democrats, as well as others. These clubs, as well as being social groups, are active in election campaigns and are often called upon for assistance by candidates.

Even if your inclinations to do volunteer work are not in the political field, your local community has many areas worthy of your involvement. You can do volunteer work at hospitals, rescue squads, volunteer fire departments, for the Red Cross and charitable organizations, and in your local church. The best thing, of course, is to combine your endeavors so your community is best served.

If after you have examined the political field, you find it interests you, I urge you to plan a career in this area. For I believe that what the Watergate affair has shown is that our country's system works; it proves another of the things which is right with America—the political and judicial systems. Even though our traditions, and the very fabric of our Nation are undergoing a great deal of stress, we will survive, prosper and progress. The American people rally in times of crisis—the best qualities of all concerned come to the surface. Great leaders have materialized when they were required. Some of our future great leaders could be here this afternoon, being graduated in the class of 1974. It all depends on you.

Of course, your generation is expected to be idealistic and seek change, but are you willing to WORK at improving things in the country? Or will you be content to tear down and criticize, while offering no viable alternatives. That is very easy to do.

Your participation in the political system cannot help but have a beneficial effect—your purpose, as I mentioned, should be change for the better. Institutions can be changed, and from the inside. Taking part in our system is the best way to do this. You are full of idealism, idealism which in an elective office need the benefit of. You can learn from our experiences, we can turn your idealism to practical purposes, we can temper your impatience. And, we can benefit from your fresh look on life and its problems from your youth and from your spirit.

You will have a world of change to face. The scientific achievements of the past sixty years have outstripped those of the preceding 500. All progress is change, but not all change is progress. Some believe that the human race has not been able to keep pace with the rapidity of our civilization. This was well expressed recently in *FUTURE SHOCK* by Alvin Toffler, and could be a part of the explanation or the "drop-out culture," which seems to be afflicting us a lot.

You who are being graduated today will have to face these unprecedented changes, and deal with them on a day-to-day basis. Sometimes you will make good decisions and sometimes poor ones, but you should be willing to make them on the basis of your education, your conscience, and your own self-discipline. Don't go to college merely to get smart. You will be the ones in control of the country, in the government and business, when the twenty-first century dawns, only twenty-six years from now. I hope you will be able to look back and express satisfaction at the changes you will have accomplished.

You are probably tired of hearing that you are the hope of America, but it's true. Our future depends on the decisions you will make and the advantages you will take of the opportunities awaiting you. There was once a very wise and popular teacher in ancient Greece. His students could not ask him a question he could not answer, nor stump him with any riddle. But one day, a smart young man thought he had the ultimate question. He held a live bird in his hands. He would then ask the teacher: "Is this bird in my hands alive or dead?" If the reply was: "The bird is dead," the boy would open his hands and let the bird fly free. If, on the other hand, the teacher responded that the bird was alive, the boy would crush the bird, thus killing it.

So, the time came for the boy to ask his question, which he did: "Is this bird in my hand alive or dead?" The wise old teacher responded: "The answer to that question my son, is in your hands." And so your future is in your own hands.

I can say, however, that throughout my own life, I have found that when young people and adults start working together, it is amazing how fast that so-called Generation Gap is filled and disappears, and even more amazing how things are changed for the better. This I can assure you, is the best part of America.

PERSONAL ANNOUNCEMENT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. FRENZEL. Mr. Speaker, on Friday, June 21, I was obliged to leave Washington at 5 p.m., before the vote on final passage of H.R. 15472, the Agriculture

Appropriation. Had I been present I would have voted "no" on that bill. A 25-percent increase over last year's appropriation is not consistent with even the loosest measure of fiscal responsibility, especially at a time of raging inflation.

I realize that expense reduction is the most difficult kind of work, and I appreciate the committee's efforts in keeping the total appropriation under the President's budget recommendation. Nevertheless, unless we want to kid our constituents, or unless we do not really want to try to hold down inflation, I believe we have to vote against increases of this magnitude.

THE WIRETAP FLAP—SECRECY RULES RAISE QUESTIONS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the current national controversy over the wiretapping of governmental officials by the White House for suspected "leaks" to the press has been placed in sharp focus in a recent article by Mr. John Troan, editor of the Pittsburgh Press.

In discussing the classic problem of representative government—legitimate needs for some secrecy by government versus the right of a free press and the public to know what government is hiding—Mr. Troan points out:

Unfortunately, every government in the world tries to keep too many things secret. So one job of a free press in a free country is to try to find out what our own government is hiding which it shouldn't be hiding from its own people.

This raises a serious question: Who should be the judge of what should be kept secret?

If you allow those in charge of the government to be the sole judges, you can be sure they'll hide more than they should. Especially their mistakes. And, as we are learning again now, their own shenanigans.

Mr. Speaker, the article then states:

That's why I feel we need a better system for classifying government information. One that would make it possible for us, the people, to know everything our government is doing—short of those things that would hurt our own nation's security if they weren't kept secret.

Mr. Troan has put his finger on the exact problem with which our Foreign Operations and Government Information Subcommittee of the House Government Operations Committee has been struggling during the past 3 years. Our hearings, investigations, and studies of the security classification system—updating those of the subcommittee under the chairmanship of the gentleman from California (Mr. Moss) during the 1950's—resulted in the unanimous adoption by the Government Operations Committee of our report on the classification system—House Report 93-221—in May 1973. It recommended the establishment of a security classification program to replace the various executive order classification systems that have proven

to be so inadequate during the past 24 years of their operation.

Our legislation—H.R. 12004—cosponsored by 24 Members of the House—would carry out the major recommendations of our unanimous 1973 committee report by creating a statutory system to govern the Nation's classification and declassification policies. It would be an amendment to the Freedom of Information Act. The bill would create an independent Classification Review Commission to exercise broad regulatory authority over the operation of the classification system within the executive branch. It seeks to accomplish the long-needed objectives of balancing legitimate governmental need for secrecy with the corresponding needs of the American people for more information about what the Government is doing in their name.

Mr. Speaker, our subcommittee hearings on H.R. 12004 will begin on Thursday, July 11, at 10 a.m. in room 2154, Rayburn House Office Building. The hearings will continue on July 25 and August 1. Executive branch witnesses will include the Departments of Defense, State, Justice, the National Archives and Interagency Classification Review Committee, the Atomic Energy Commission, the Central Intelligence Agency, and the Defense Supply Agency. Testimony will also be presented by the General Accounting Office and outside experts.

Mr. Speaker, the full text of Mr. Troan's excellent article follows:

**THE WIRETAP FLAP—SECRECY RULES
RAISE QUESTIONS**
(By John Troan)

Frankly, I don't know what role Dr. Kissinger played in wiretapping 13 U.S. government officials suspected of transmitting secret information to reporters.

But the questions this case raises go far beyond whether he lied or fudged or hedged when he was quizzed under oath about this whole messy operation.

To start with, let's go back to early 1969. That's when it became clear to President Nixon, Dr. Kissinger and others in the White House that someone with access to confidential government information was slipping it to unauthorized people.

Now, basically, I am opposed to secrecy. But no government, not even in a democracy, can operate effectively without any secrets at all. (Try playing a poker game by showing all your cards.)

Unfortunately, every government in the world tries to keep too many things secret. So one job of a free press in a free country is to try to find out what our own government is hiding which it shouldn't be hiding from its own people.

WHO IS JUDGE?

This raises a serious question: Who should be the judge of what should be kept secret?

If you allow those in charge of the government to be the sole judges, you can be sure they'll hide more than they should. Especially their mistakes. And, as we are learning again now, their own shenanigans.

That's why I feel we need a better system for classifying government information. One that would make it possible for us, the people, to know everything our government is doing—short of those things that would hurt

our own nation's security if they weren't kept secret.

This brings up another question: What secrets are vital to our national security?

Was the U.S. bombing of Cambodia in 1969 such a secret? Obviously it was no secret to the enemy. Yet it was kept secret from the American people—until someone blabbed when he wasn't supposed to. To a reporter who printed the story.

This was one of the incidents that triggered the wiretapping which now has Dr. Kissinger in a stew.

SERIOUS INCIDENTS

There were other, more serious incidents, including disclosure of our negotiating strategy in disarmament talks with Russia, which could have worked against our own security.

So our government leaders had reason to be disturbed. And to try to find out who was spilling all these beans.

But—were wiretaps necessary for this purpose? And, if so, shouldn't even the President be required to get court approval for such wiretapping to be sure this power isn't abused?

And finally: Does the First Amendment really give us the right to print the kind of secrets a foreign country would pay a spy to get?

I seriously doubt this. And I believe those of us in the news media must find a better way to draw a clearer line on what we should not print lest we undermine the very government on which our own freedoms depend.

INADEQUACIES OF THE U.S. POSTAL SERVICE

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. WRIGHT. Mr. Speaker, under leave to extend my remarks I am including the fifth in a series of investigative articles which began in the Washington Post on June 9. This article brings to our attention the vast inadequacies of the new U.S. Postal Service.

In the jet-age of 1974 the Postal Corporation is running a "horse and buggy" operation. When attempts to innovate have been made they have been unsuccessful. A case in point is the new computerized letter sorting system which was to save \$1 billion annually. The General Accounting Office states that the new system will be more costly than the present system.

Again taking issue with the Postal Service, the General Accounting Office reports that these higher costs will lead to slower handling of the mail than we have today. Is that what the Research and Development Department of the Postal Service calls progress?

In its investigation of the new first-class sorting system the General Accounting Office reported that one-third of the letters sorted by the new system could not be sorted later at various points because they had been miscoded, missorted or jammed in machinery. The problems presented by the new operation led Postmaster General Elmer T. Klas-

sen to inform postal managers that a decision to implement the new system would be delayed until successful operation of a similar bulk mail system could be established. So while the people wait for the service they deserve, their letters continue to be sorted by hand.

While the system continues to prove its inadequacies, the public is asked to pay more and more. Postal officials are now exploring the outrageous possibility of another 3-cent increase in first-class rates.

The Congress cannot allow the inept operation of the Postal Service to continue.

The article follows:

MECHANICAL BUGS FOIL MAIL DELIVERY

(By Ronald Kessler)

A maintenance man recently stood on top of a letter-sorting machine in a Cincinnati post office and poked it with a broom handle in an effort to make it work. A half hour later, the man was still poking the machine, while a second worker fed it letters one by one.

The machine was not a leftover from the old, politics-ridden Post Office Department. It was part of a new, computerized letter sorting system that the new U.S. Postal Service claimed last year would save \$1 billion annually.

Despite the claim, the difficulty observed on a recent visit to the new letter-sorting system in use in Cincinnati was not unusual.

Government audits have detailed a series of horror stories about the new equipment, from a high rate of missent letters to frequent jamming of letters in the machinery.

Last year, the General Accounting Office, the audit branch of Congress, reported that rather than saving money, the new system would be more costly than the present, largely manual system.

A confidential report by the Postal Service's internal auditors concluded that the system correctly sorted 1,100 letters per man hour. In contrast, the agency says about 1,700 letters per man-hour were sorted by the D.C. post office last year using the method employed in 1775 by Benjamin Franklin, the first postmaster general: manually placing letters, one by one, in pigeon holes.

Ever since Franklin's time, postal officials have dreamed of replacing the pigeon holes with modern machinery.

While the telephone company replaced operators with dial equipment and manufacturers built automated plants, the Postal Service found itself largely bypassed by the industrial revolution.

Today, a majority of the mail continues to be sorted by hand. The Kappel Commission, which proposed postal reform, identified this reliance on hand labor as a chief cause of poor service and rising rates. The commission said the new Postal Service must be established as an independent government agency so it can raise money for mechanization.

In 1969, Winton M. Blount, President Nixon's appointee as postmaster general, promised he would give the public "sharply improved service" by building two mechanized systems—one for bulk mail, the other for letter mail.

Five years later, the bulk mail system, which will largely benefit special commercial interests, is being built, while the letter mail system, which would benefit individual citizens and all businesses, is not.

Without referring to the critical audit reports, Postmaster General Elmer T. Klassen told postal managers that a decision on implementing the letter mail system would be delayed until the Postal Service establishes it can successfully operate the bulk mail system.

While he calls the letter mail system that had been planned by the Postal Service "ill-conceived," Murray Comarow, who was senior assistant postmaster general for policy until earlier this year, said the lack of any mechanized system means "a continuation of the rising costs and erratic service that the new Postal Service was supposed to stop." Comarow was executive director of the Kappel Commission, which recommended postal reform in 1968.

Many postal officials are talking privately about the possibility of a 15-cent first class stamp, and congressional committees are talking about an increase in government appropriations to close the widening gap between revenues and costs.

The story of how the Postal Service arrived at this impasse illustrates what many postal officials say are some of the agency's most basic problems. It also sheds light on what mail service might be like in the future, since the Cincinnati equipment may one day be installed in post offices throughout the country.

At the heart of the Cincinnati project—the prototype of the proposed mechanized letter mail system—are two machines that sort letters into bins according to zip code.

One relies on human operators to read the code on each envelope and punch the information into keyboards. The second replaces the operators with computerized, optical scanners that read the codes.

Both machines imprint bar codes on letters to enable machines at subsequent points in the mail system to sort them more easily. The codes, which may be seen on some return envelopes and credit card companies provide for paying bills, contain address and zip code information.

Both machines currently are used in other post offices outside Cincinnati, and both have their shortcomings.

The machine that relies on human operators has an error rate as high as 17 per cent, the GAO has found. Each time a letter is missorted, it might be delayed as many as five days in addition to normal delivery time, the GAO said.

The optical scanner does not read handwritten or typewritten mail. It will not read mail addressed by machine if the addresses are in the wrong type face or ink, if the envelopes are the wrong color or carry printing, or if anything besides the address shows up in a transparent address window.

A more sophisticated version of this machine being tested in New York reads typewritten mail but costs \$3 million per copy and still requires 16 operators.

In contrast, the conventional letter-sorter reads all mail, costs about \$600,000, and requires about 40 operators to handle about the same volume of mail the computerized machine in New York.

The two machines used in Cincinnati were developed in the 1950s after then Postmaster General Arthur E. Summerfield began a policy of attempting to mechanize the mails.

Jacob Radinow, chief of invention and innovation for the National Bureau of Standards, said no effort was made to develop a better machine when the Cincinnati project was started in 1969. "They decided they wanted something quick off the shelf because they wanted results to show the public," he said.

"An awful lot of planning (for the letter mail system) was done in a vacuum in the

sense that they looked at isolated engineering possibilities rather than looking at the whole system," said Dr. James C. Armstrong, a postal official at the time who is now manager of corporate planning for American Telephone Telegraph Co.

"The research and development effort at the Postal Service was largely a collection of hobby shops where people worked on pet projects that interested them," Armstrong added. "The idea of putting all the machinery under one roof hadn't occurred to them."

Indeed, the Cincinnati project is, in effect, half a post office. It does not sort letters until they have been initially sorted and canceled by a conventional post office on a different floor.

The Postal Service poured \$49 million into developing the Cincinnati project, and according to the outside consultants hired to evaluate the system, the expenditure was well worth it.

A study by Computer Sciences Corp. showed the system, if installed in 180 new postal buildings, would bring the Postal Service a net savings of \$12 billion over 10 years with a \$4 billion investment.

The system would even save money if installed in the 588 existing mail sorting post offices, the report, a one-inch-thick document bound with the Postal Service seal, said.

This report, however, was based on a computer analysis, and a computer analysis is only as good as the figures put into it. The GAO found they left much to be desired.

The figures did not include half the cost of erecting the new buildings, GAO said. They did not include additional transportation costs caused by carrying the mail further to reach consolidated sorting centers. And, GAO said, they were based on the system's theoretical, rather than actual, performance.

The gap between theory and practice was wide. An internal Postal Service audit report said last year that the system rejected 20 per cent of the mail fed into it, even though the mail generally was selected so it would be handled easily by machines.

Rejected mail is delayed and adds to costs because it must be handled a second time by conventional sorters.

Because of frequent breakdowns, about 75 per cent of the cost of operating the Cincinnati project was spent on maintenance, the audit report said.

Often postal management did not know why machines were broken. It also did not know the total costs of operating the project, the report, stamped "limited official use" said.

As recently as July, Ralph W. Nicholson, senior assistant postmaster general for finance, asked in an internal memo if the Postal Service knew exactly what the system consists of and what is expected of it.

The GAO found that about one-third of the letters sorted by the system could not be sorted according to plan at subsequent points in the mail network because they had been missorted, miscoded, or jammed in machinery.

Rather than speeding mail service, the GAO found the system might slow it in many areas because mail would be concentrated at large sorting centers.

This would mean longer trips before mail reached sorting centers, GAO said. In addition, Postal Service internal figures show the productivity of larger post offices such as Chicago and New York is often half that of smaller post offices.

Despite the audit findings, Alden J. Schneider, assistant postmaster general for research and engineering, said recently that the Cincinnati project is not dead. He said further improvements are being made, some of

the equipment is being replaced, and fewer maintenance men are now needed.

Schneider recently resigned, and no successor has been named.

Internal memos also show the agency has considered constructing new mail-sorting buildings even if it is not sure what will go in them. This plan was questioned in a 1972 memo by J. T. Ellington Jr., assistant postmaster general for planning. He pointed out that the computer analysis predicting savings from new buildings was based on the assumption they would contain the equipment used in Cincinnati.

"If so," Ellington wrote to other high-ranking postal officials, "we would appear to be deploying facilities to house equipment we may not use . . ."

By April, 1973, Ellington's doubts had been resolved. "I am satisfied," he wrote in another memo, "that the location of the facilities as currently developed is not materially affected by the type of mechanization," assuming it is not far different from equipment in Cincinnati.

Ellington said recently some of the new buildings planned would be necessary, anyway, to replace outmoded facilities. Asked what would happen if new machines that might be developed could not be used in the new buildings, Ellington said they would not be installed.

An official of Computer Sciences, which predicted savings from a network of new buildings, called the Postal Service reasoning "poor thinking." The official, who asked not to be named, said, "First you choose the system, then you build the buildings."

VIDEO SCREEN USE STUDIED: ELECTRONICS EYED IN MAIL DELIVERY

Will mail some day be obsolete? The U.S. Postal Service does not think so, but it is studying a way of supplementing it with electronic mail.

In its broadest form, electronic mail would deliver communications to homes and businesses on a video screen, similar in appearance to a television set.

When a message is ready to be viewed, a light would flash on the console. The individual communication—or a whole day's messages—could be viewed at leisure, just as a day's batch of mail is examined.

A flick of a switch would produce a written, "hard" copy of messages to be saved.

Besides correspondence, electronic mail would carry bills, advertisements, and possibly newspapers and magazines. It might also be used for ordering goods from stores, writing checks, or obtaining information from universities and libraries.

Electronic mail could be transmitted over wires or, in what experts say is a more economical approach, bounced off satellites.

The technical feasibility of such a system is not open to question, according to experts. Satellite communications are used every day by government and industry.

What is open to question, the experts said, is whether the public wants electronic mail, and at what cost.

Many experts agree with postal officials who maintain there always will be a need for physical mail. The handwriting of a friend, the smart appearance of a corporate letterhead, the familiar feel and format of a magazine, always will be desired, they say.

Even if the public would part with perfumed love notes, experts say that electronic mail at present would be too costly to be practical. This could change in the future.

The Postal Service is studying a less ambitious version of electronic mail that would connect post offices—rather than homes and businesses—by a satellite transmission network.

Under this system, a businessman who wanted to get a document to another city quickly would take it to his local post office, which would beam it by satellite to another post office. The receiving post office would reduce it to hard copy and deliver it by special carrier to its destination.

The Postal Service acknowledges that businesses already privately transmit documents over telephone wires and satellite hookups in this way. The agency says it should compete with these services if it is to maintain its share of the communications market.

Once formally approved, a Postal Service study of such a system would cost \$12 million in its first year, estimated Aiden J. Schneider, assistant postmaster general for research and engineering. He declined to say how long such a study might take.

Why would a business that can transmit hard copy over telephone wires from its offices want to go to a post office that would still generally deliver the message by letter carrier?

Schneider replied, "Some people can't afford it (the telephone transmission devices)." Schneider added that "a very major portion of our objectives" would be to determine if electronic mail could help postmasters deliver ordinary mail. He said satellites could inform postmasters of late deliveries of mail.

Since an unchanging number of employees are assigned to each post office shift, what could a postmaster do if he learned delivery of mail would be late?

They would have the "ability to understand what is coming down the pike so work schedules can be adjusted," Schneider said.

Why couldn't postmasters pick up the telephone?

Telephone messages can be misinterpreted or garbled when repeated, he said. "Having seen the problem of communicating by telephone," said Schneider, a former chemical company executive, "I'm reasonably certain there is an opportunity here."

Couldn't postmasters use teletype machines installed in most post offices that sort mail?

Schneider said not all postoffices have teletypes, and those that do, do not necessarily have typists available to use them.

Could postmasters use presently available devices that transmit hard copy by telephone?

Schneider said some post offices have such equipment, but it is not always "as effective as it needs to be . . ."

Should the Postal Service study whether postmasters or the public need such a service before working on the technical details?

Schneider said he believes such a study is being conducted by the customer services department. He said he was not sure of the details, and he referred questions to the head of the department, William D. Dunlap, an assistant postmaster general.

Dunlap did not return a reporter's telephone calls. A public relations spokesman said the study is "still in the planning stages," and "there's no information publicly available at this time" on it.

Schneider resigned recently and no successor has been named.

THE STATE OF THE STATES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the REC-

ORD, I include my Washington Report entitled "The State of the States":

THE STATE OF THE STATES

In 1965, a U.S. Senator, commenting on the fading force of states in the federal system, said that in the near future "the only people interested in state boundaries will be Rand McNally."

This past week the National Governors' Conference, in a noteworthy report entitled "The State of the States in 1974," presented a convincing case that state government, despite the Senator's observations, is entering a period of renewal. From Washington the tendency is to overlook the role of the states, and to forget that states, as the middle tier in the federal system composed of the national, state, and local governments, are the key units for the planning and implementation of domestic policy. Local governments are often too small and without the powers to grapple with the problems that confront them, and the national government is often too big and too remote to deal effectively with them.

A Harris poll, conducted for a U.S. Senate subcommittee, concludes that Americans generally concur that the federal establishment should be reduced and that state and local government should be increased. This report on the state of the states suggests that, in response to the attitudes expressed in the poll, states are setting their own houses in order.

FUNDING

In recent years states have strengthened their fiscal foundations and made them more progressive. In 1960 only 19 states had both general sales and broad-based personal income taxes, but by 1974, 36 states were using both taxes. States have increased receipts from personal income taxes from \$1.5 billion to \$15.5 billion in the last 15 years, and in 1972, states spent \$90 billion for domestic services, an awesome six-fold increase over 1954 levels. Considering that the political risks in seeking expanded revenues are acute, the progress toward better balanced and more dependable state revenue systems is striking. Unlike the federal government, states have not been able to expand their expenditures by going into debt, and they have had to rely chiefly on tax revenues to fund their programs. All but two states finished 1973 with their budgets in the black.

ORGANIZATION

During the 1960s the states took a variety of steps to streamline the structure of state governments. The role of the governor has been strengthened, the executive departments have been overhauled to eliminate duplication, and the legislatures and the judiciary have been modernized. In 1950, nearly half of the governors served only two-year terms. Today only 7 states still have two-year gubernatorial terms with only 8 prohibiting immediate succession. Since 1965, 18 states have undertaken comprehensive executive reorganization. State legislatures have also been improved. In 1943, only 4 legislatures met annually; today, 33 states provide for annual sessions. Increasingly, state legislatures have legislators who work almost full time, are adequately paid, and supported by professional staff. Three-fourths of all states have integrated judicial systems, and half the states have removed judicial selection from the political arena.

SERVICES

States are assuming greater responsibility for the delivery of governmental services to the people. About 40% of state spending goes to education, 26% for health and welfare, and 16% to highways. Many states have revised their criminal codes, and about

one-half of them have made major reforms of their corrective systems in recent years. The number and kind of public services performed by states have increased rapidly, and states now spend over \$60 billion from their own sources and over \$96 billion, including federal grants, to perform services themselves and to aid local governments. In recent years the states have begun to respond vigorously to urgent problems like campaign finance, energy conservation, consumer affairs, land-use planning, and no-fault automobile insurance.

All of these steps are breathing new life, not only into the states, but into the entire federal system. As the states work to put their own houses in order, they are bringing vitality and purpose to government, and that has to be good news for the country.

NEW BLOCK GRANT PROGRAM

HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. WIDNALL. Mr. Speaker, last Thursday, a chart was inserted in the CONGRESSIONAL RECORD which cited the alleged impact of title I of H.R. 15361, the Housing and Urban Development Act of 1974, on metropolitan cities over 50,000 population. This chart showed those metropolitan cities whose automatic entitlement is reduced over the 6-year period for community development block grants. Aside from the fact that the 6th year's funding, as envisioned in title I, puts every metropolitan city on an equal basis insofar as need can be measured by an objective formula, there was no mention of the fact that discretionary monies are also available for communities. The total funding picture for the communities listed in the chart should have included the fact that they are also eligible for funds in the SMSA balance. Also, the total funding picture for any community can include funds from the \$100 million national transition fund as well as from the HUD Secretary's national discretionary fund.

At this point, I include in the RECORD a list of almost 300 communities whose automatic entitlement is increased over the 6 years of the new block grant program assuming the appropriation level remains at the figure projected for the third year of the program:

METROPOLITAN CITIES (OVER 50,000 POPULATION) WHOSE AUTOMATIC ENTITLEMENT IS INCREASED OVER THE 6-YEAR PERIOD FOR COMMUNITY DEVELOPMENT BLOCK GRANTS UNDER THE PROVISIONS OF H.R. 15361 WHICH PHASE OUT HOLD-HARMLESS PROTECTION.

[In thousands of dollars]

State	Year 1	Year 6
Alabama (5):		
Anniston.....	241	888
Birmingham.....	4,816	7,335
Gasden.....	311	1,142
Mobile.....	1,974	4,691
Montgomery.....	2,484	3,229
Alaska (1): Anchorage.....	528	673
Arizona (4):		
Mesa.....	269	989
Phoenix.....	2,633	9,683
Tempe.....	853	860
Arkansas (1): Fort Smith.....	736	1,166

State	Year 1	Year 6	State	Year 1	Year 6	State	Year 1	Year 6
California (56):			Arlington Heights	125	459	North Carolina (3):		
Anaheim	524	1,927	Cicero	205	754	Greensboro	2,186	2,232
Buena Park	207	763	Oak Lawn	167	616	Raleigh	531	1,953
Costa Mesa	232	855	Oak Park	161	591	Wilmington	961	1,146
Fullerton	257	946	Skokie	134	491	Ohio (11):		
Garden Grove	377	1,385	Evanston	228	838	Canton	1,108	1,701
Huntington Beach	460	1,171	Joliet	304	1,116	Cleveland Heights	144	529
Orange	229	841	Waukegan	268	944	Euclid	182	672
Santa Ana	706	2,596	Moline	155	568	Lakewood	181	666
Westminster	200	734	Decatur	494	1,324	Parma	249	916
Bakersfield	339	1,246	East St. Louis	1,862	2,398	Kettering	159	585
Alhambra	202	745	Indiana (7):			Hamilton	595	1,084
Belflower	187	687	Anderson	761	1,025	Lima	234	860
Burbank	280	1,031	Fort Wayne	1,748	2,411	Mansfield	339	821
Carson	299	1,100	Hammond	1,428	1,480	Marietta	72	264
Downey	263	966	Lafayette	154	565	Springfield	666	1,301
El Monte	375	1,376	West Lafayette	73	266	Oklahoma (1): Norman	211	778
Glendale	437	1,606	Muncie	318	1,168	Oregon (2):		
Hawthorne	180	664	Terre Haute	315	1,160	Eugene	422	1,133
Lakewood	239	880	Iowa (5):			Springfield	107	392
Long Beach	1,513	5,265	Cedar Rapids	1,285	1,372	Pennsylvania (1): Hazleton	109	401
Los Angeles	38,957	50,527	Davenport	929	1,414	Rhode Island (2):		
Norwalk	386	1,421	Dubuque	247	909	Cranston City	461	752
Pico Rivera	261	959	Council Bluffs	273	1,006	Warwick City	384	926
Pomona	401	1,476	Cedar Falls	95	350	South Carolina (2):		
Santa Monica	371	1,364	Kansas (2):			Charleston	813	1,803
South Gate	223	820	Overland Park	154	566	Columbia	1,922	2,186
Torrance	783	1,305	Topeka	1,157	1,729	Tennessee (2):		
West Covina	192	707	Kentucky (4):			Clarksville	286	719
Whittier	210	773	Hopkinsville	140	514	Memphis	5,503	14,658
Modesto	241	886	Ashland	133	488	Texas (34):		
Simi Valley	249	596	Lexington-Fayette	1,101	2,906	Abilene	424	1,560
Ontario	303	1,115	Owensboro	244	898	Amarillo	548	2,016
Riverside	1,657	2,034	Louisiana (7):			Beaumont	643	2,364
Sacramento	3,586	4,450	Alexandria	322	1,220	Orange	139	512
Monterey	85	311	Baton Rouge	1,993	3,534	Brownsville	658	2,419
Salinas	272	1,001	Lafayette	465	1,710	Harlingen	365	1,343
Chula Vista	264	972	Lake Charles	1,478	1,854	San Benito	205	756
El Cajon	197	724	Monroe	1,480	1,677	Bryan	214	786
San Diego	9,151	10,461	New Orleans	14,171	17,076	College Station	71	261
Alameda	267	983	Shreveport	1,176	4,325	Corpus Christi	1,637	4,825
Concord	229	841	Massachusetts (9):			Arlington	257	944
Daly City	211	788	Medford	185	680	Dallas	4,086	15,025
Fremont	296	1,090	Newton	655	806	Fort Worth	1,939	7,131
Hayward	345	1,269	Quincy	1,014	1,038	Garland	235	865
Redwood City	585	623	Somerville	346	1,272	Irving	301	1,105
San Leandro	198	729	Waltham	199	731	Mesquite	169	623
San Mateo	227	836	Brockton	1,031	1,196	El Paso	2,249	8,271
Mountain View	169	623	Fitchburg	566	615	Galveston	628	1,425
Palo Alto	159	581	Leominster	166	426	Texas City	253	636
Santa Clara	371	1,026	Chicopee	359	867	Houston	12,992	22,925
Sunnyvale	262	962	Michigan (17):			Pasadena	299	1,101
Lompoc	102	376	Battle Creek	181	667	Killeen	197	726
Santa Barbara	558	1,153	Dearborn	303	1,113	Temple	182	670
Santa Cruz	179	563	Dearborn Heights	238	875	Laredo	2,663	3,135
Stockton	1,778	2,172	Lincoln Park	431	663	McAllen	417	1,535
Fairfield	175	645	Livonia	273	1,004	Pharr	222	818
Colorado (5):			Roseville	218	803	Midland	265	974
Colorado Springs	1,797	1,963	Royal Oak	226	833	Odessa	385	1,415
Aurora	211	776	Southfield	149	548	San Angelo	372	1,369
Boulder	251	922	St. Clair Shores	267	984	San Antonio	9,019	16,915
Lakewood	232	852	Sterling Heights	149	546	Denison	179	458
Pueblo	931	1,788	Taylor	245	902	Sherman	112	411
Connecticut (3):			Warren	1,585	1,917	Tyler	258	948
Milford	515	541	Westland	276	1,014	Wichita Falls	429	1,576
Meriden	408	689	Wyoming	187	689	Utah (3):		
Norwalk	812	979	Kalamazoo	348	1,281	Orem	117	431
Florida (20):			Portage	86	317	Provo	375	1,086
Daytona Beach	674	1,061	East Lansing	168	618	Ogden	670	1,170
Fort Lauderdale	626	2,303	Minnesota:			Virginia (6):		
Hollywood	418	1,536	Moorehead	201	434	Hampton	1,379	1,713
Fort Myers	518	559	Bloomington	212	780	Newport News	2,053	2,317
Gainesville	355	1,307	Rochester	178	654	Chesapeake	422	1,551
Jacksonville	5,194	10,274	St. Cloud	204	596	Virginia Beach	613	2,252
Lakeland	221	811	Mississippi (1): Jackson	2,208	3,954	Colonial Heights	41	149
Winter Haven	98	360	Missouri (3):			Petersburg	733	911
Cocoa	113	324	Columbia	240	885	Washington (7):		
Melbourne	580	627	Independence	996	1,231	Kennewick	92	214
Hialeah	523	1,922	Florissant	193	709	Richland	74	273
Miami	2,687	9,879	Montana (2):			Bellevue	144	458
Miami Beach	577	2,121	Billings	252	929	Everett	223	773
Orlando	936	2,091	Great Falls	248	914	Spokane	721	2,652
Pensacola	375	1,380	Nebraska (2):			Tacoma	2,298	2,319
Tallahassee	757	1,406	Lincoln	499	1,833	Yakima	256	817
Clearwater	216	795	Omaha	1,401	5,152	West Virginia (2):		
St. Petersburg	1,028	3,780	Nevada (2):			Parkersburg	243	716
Tampa	4,594	5,706	Las Vegas	505	1,856	Weirton	91	334
West Palm Beach	314	1,156	Reno	264	973	Wisconsin (9):		
Georgia (4):			New Hampshire (1): Nashua	324	674	Appleton	300	659
Albany	552	1,961	New Jersey (12):			Oshkosh	184	675
Augusta	1,042	3,659	Bayonne	500	1,024	Superior	134	493
Columbus	3,468	3,659	Union City	309	1,135	Kenosha	297	1,091
Macon	1,001	3,028	Asbury Park	296	406	La Crosse	409	755
Illinois (20):			Long Branch	149	547	Madison	750	2,543
Normal	82	302	Sayreville	185	290	Wauwatosa	136	501
Champaign	367	840	Bloomfield	138	508	West Allis	201	739
Rantoul	125	343	Elizabeth	525	1,932	Racine	362	1,332
Urbana	136	499	Irvington	297	757	Puerto Rico (7):		
Aurora	249	915	Clifton	202	743	Caguas	715	2,630
Berwyn	135	498	Passaic	292	1,074	Mayaguez	1,024	3,490
Chicago	43,787	64,074	Bridgeton	282	357	Ponce	5,131	6,673
Des Plaines	139	512	Millville	80	293	Bayamon	1,581	5,815
Elgin	160	590	New York (2):			Carolina	879	3,231
			New Rochelle	440	964	Guaynabo	548	2,016
			New York	101,083	156,537	San Juan	11,912	19,406

PRESENT MARKET SITUATION IN
THE LIVESTOCK INDUSTRY

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. ABDNOR. Mr. Speaker, the disastrously low prices for livestock and the causes of these price levels have been the subject of a considerable amount of speculation recently. Many people from all sectors of our economy have commented on this situation. There are few people, however, who have a better perspective from which to observe this situation than those people who operate the competitive livestock marketing industry throughout rural America. I recently received a letter from one of these individuals who has carefully set forth his views on the crisis now being experienced by livestock producers.

The gentleman who wrote me is Mr. Delmer Volmer, owner and operator of the Presho Livestock Auction Co. in Presho, S. Dak., my friend and a fellow whose advice I place special value on, as I have often listened to him as I sold my livestock in his sale barn.

I commend to my colleagues the observations made by Mr. Volmer regarding the present market situation in the livestock industry:

PRESHO, S. DAK.,
June 17, 1974.

JAMES ABDNOR,
Longworth House Office Building,
Washington, D.C.

FRIEND JIM: I thought I would drop you a line while I have time. You probably know what I am going to write to you about when you find the letter is from me. Our cattle market has fallen apart this past week, and I thought I had better take a little time and write you a letter letting you know just how bad this market is.

The market on our feeder cattle in the past month has dropped \$11. per cwt. Now on a 700 lb. steer, this is \$77. per head. I sold John Urban's steers on May 25th and they weighed 680 lb. and brought \$43. per cwt. If I sold the same steers tomorrow, they would be lucky to bring \$33. per cwt. I am glad that John got rid of them, but they still are in the hands of another farmer who has lost money on everything he has done the past seven months, and I am talking about our cattle feeder who makes his living selling his feed through our feeder cattle which he buys from us ranchers. I don't think anyone minds giving his feed away once in a while, but when you give your feed plus a \$100 to \$150 cash, this could cause a disaster. With the expenses these farmers have today, there is no way for them to stay in business. These cattle prices I know got too high last summer which got a lot of people into trouble. Why they got so high was because we had a price freeze put on our product and the first thing the publicity was out that we were short of cattle and we were going to have a meat shortage, people made pigs out of themselves and bought up all the meat they could. The cattle feeder held on to his cattle thinking they were going sky high. All they did was build up more tonnage of beef every day longer that they kept their cattle. That meant more pounds of meat to be consumed and this is one reason why we are in so much trouble today.

I would like to give you my theory on this matter if we are going to survive this thing without a depression and, believe me, it's just around the corner. No. 1: You have to stop all foreign meat from other countries from coming in here at once—not six months from now—but as soon as possible.

No. 2: Band all stilbestrals in the United States. Make all companies or factories destroy it at once so it cannot be used. We lost Canada on our market by using stilbestrals, and they were the ones who held our fat cattle market up as high as it was. The minute Canada went off the market, our cattle market began to crumble.

No. 3: We had a price freeze and roll back on meat prices in the summer of 1973 and now we need it on the other end. Who can keep buying machinery, cars or anything if it stays up where it is now. A steel post costs \$2.50! A year ago they were from \$1.20 to \$1.40 per post. Binder twine has doubled in price and all repairs and machinery are up 20 to 40%. Everything people need is so high you can't buy it with \$30. to \$35. cattle. I say the people in agriculture can live with it if you roll all other segments of this country backwards. If this price on gas and all of these items continue to push upward, the next thing that is going to happen is that people won't be able to buy them. You will inside of a year find machinery dealers, car dealers or any business with a lot of merchandise on hand that they can't sell. The next thing that will happen is that people will have to be laid off at work in factories and one thing will lead to another. I'm afraid this economy is in bad enough shape that our government will not be able to hold it unless they act at once. Believe me, I still think agriculture is the backbone of our country.

No. 4: If there is no way to stop imported beef or no way to roll the prices back, then you are going to have to subsidize these cattle feeders so you can keep them in business and our people in the ranching business in operation. If corn is going to stay over \$2. per bushel and fat cattle at \$34. to \$36., there is no way to feed cattle unless you will pay every farmer 50¢ a bushel for every bushel of corn he runs through livestock. This way he might feed cattle, but with \$2. corn, he can't feed cattle and survive.

I know you know the problems on the farm and in our agriculture industry, but there are so many people in Washington, D.C. who don't realize how much it costs to produce a 1100 lb. steer ready to be eaten. I know over the past few years, we have done away with a lot of small farmers so we don't have any voting power. We may suffer now, but it will come to the cities in the end and believe me, the way these people are today, they'll kill one another for money and something to eat.

No. 5: Meat is too high across the counter for the consumer to buy according to what live cattle are bringing. This should be checked into. My wife bought a beef roast which cost \$1.55 per lb. with \$35. to \$36. fat cattle. An average fat steer will dress out 62 to 63% of his body weight; you will receive 620 lb. of salable meat out of a 1000 lb. steer. I think there is something wrong. Someone must be making an extra large profit somewhere along the line.

No. 6: Commodity futures need to be done away with. Cattle feeders use this as a guide and get themselves in more trouble. This is nothing but a moneyman's game and does more harm to the livestock industry than it helps. I think this is very important that this is done away with as soon as possible.

I am not writing this letter to give you hell because I know you will back us people as much as you can. I wanted to give you my feelings and thoughts on the whole situation.

I need a buyer and I need a seller to stay in business, and if something doesn't change, we will have neither one of them.

I hope you take time to read this letter, and I hope I haven't offended you in any way. I may see you in Washington, D.C. before the summer is over. Thank you.

Yours truly,

DELMER VOLMER.

CONFIDENCE IN CONGRESS

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. FREY. Mr. Speaker, the American public's lack of confidence in Congress is alarming.

Indeed, it has reached the crisis stage and we, as Members of the House of Representatives, have to take strong positive action if we are to restore that confidence.

I am sure each of us has personally noted this lack of confidence, this unrest among the people, and this general dissatisfaction with Congress in our travels across the Nation.

A recent national poll revealed less than one-third of the Nation approves of the job of this Congress.

Yet, I do not see many changes being made to restore that confidence.

I am reminded of an incident my daughter had in school a few years ago.

A teacher asked if her father was "the politician?"

"No," she replied, "my father is the Congressman."

Things have changed to the point, however, that I am not at all sure that my children would be as proud to say their father is a Congressman.

Another national poll several months ago showed 78 percent of the American people believe government leaders are just out for their own personal and financial gain; 76 percent say most government leaders are more interested in playing smart politics than in sharing the same genuine idealism that the people have and the same percentage believes most government leaders are afraid to treat the public as adults, afraid to tell them the hard truth about such issues as inflation.

As Members of Congress we may not agree with these findings but, again, from our own experiences, I am sure, each of us has heard much the same thing.

In recent years Congress has abdicated to the executive branch its constitutional responsibility to maintain power over the purse.

We have enacted spending bill after spending bill without apparent regard to the impact on the total budget.

And yet while we have established debt ceilings we have been the first to scream when authorized funds have been withheld from our pet projects to comply with our own imposed debt ceiling laws.

We have established Federal programs and then forgotten them, seldom reviewing their administration or reevaluating their necessity.

This year, however, Congress did take some positive steps in the area of budget reform.

On the President's desk is legislation which restructure the appropriations process and force us in Congress to examine the impact of each separate spending bill on the total Federal budget.

The legislation will require Congress to establish target figures for total appropriations. It will provide procedures for limiting back-door spending and for forcing the President to spend impounded funds.

With this structure, Congress should have the tools to better discipline its spending decisions.

But this piece of legislation is not enough, this revamping of the spending programs will not allow the people to believe Congress is, indeed, working hard to solve the Nation's many problems.

It is not enough when we look at such statistics printed recently in the CONGRESSIONAL RECORD.

Our scorecard shows that in a 4-month period ending May 31 we had a total of 3,663 measures introduced for consideration in the House of Representatives.

Less than one-tenth—302—of those measures were passed, however.

We have spent many days and countless hours watching and participating in debate on countless bills which have come to the floor in such poor form that they had to be rewritten or returned to the committee.

And hastily considered amendments, Mr. Speaker, are not the best amendments.

Reform of the congressional committee system could, of course, stop many of these measures from having to be rewritten on the floor.

We have pending in the House a recommendation which would go a long way toward making Congress more responsive having the end result of restoring some of that eroding confidence of the public in its Congress.

I am speaking, of course, of the Bolling committee report, a report authorized by Congress and one to which we had all looked to as a way of solving some of the bills of the House of Representatives.

But the majority party, in a secret caucus and reportedly by secret vote, decided last month it would not allow the House to reform itself.

The majority party has apparently ruled that the House was correctly structured 28 years ago and that it needs no modernization.

But what of the issue—what of restoring confidence in Congress?

It apparently does not concern the majority party that the people of this Nation believe Congress is dragging its feet; and most importantly, the majority party is participating in this isolation of the elected official from the people.

The passage of reform legislation is overdue.

The facts will speak louder than any promises of reform. It is time for a change in our system and we hope the American people will follow this issue closely and voice their protest in November.

PRELUDE TO THE PRESIDENT'S VISIT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. DRINAN. Mr. Speaker, I am deeply grieved today as a result of Soviet preparations for President Nixon's visit to the Soviet Union. These preparations, coupled with a severe regression in Soviet emigration policies over the past few months, can only be construed as a return to the repugnant and oppressive practices that many people had hoped were passing.

Two weeks ago, on Monday, June 10, 1974, I noted in an address I gave in New York that "both the Kremlin and the Nixon administration are demonstrating that they prefer free trade between the United States and the U.S.S.R. to the free emigration of Jews from the Soviet Union." I made that assertion in the face of continued administration hostility to congressional efforts to link most-favored-nation treatment for the Soviet Union with the issue of Soviet emigration policies.

Since 1973, Soviet Jewish emigration has steadily declined. From a peak of about 3,000 each month emigrating to Israel last year, the number declined to 1,720 in March of this year, 1,600 in April, and 1,226 in May. Despite this sharp cutback, the administration remains firm in its opposition to the Jackson-Vanik amendment, encouraging the Soviets to use declining emigration as a lever against this amendment.

It now appears that, from reports of Mr. Kissinger's own statements to some Senators last week, the administration may be willing to settle solely on a guarantee that the Soviets would allow 45,000 Jews to emigrate annually. This does not represent a satisfactory solution to the emigration problem. A 45,000 person annual quota would be inadequate because there is already a backlog of some 135,000 persons now waiting to leave the country for Israel. Firm pledges to end harassment of those who wish to leave the promises of relief for those serving prison terms on false and trumped up charges must be obtained. Any straight quota system would also leave the option open for continued repression of selected groups and individuals who most desperately want or need to leave.

In other words, to discuss numbers is irrelevant and misses the point. What is at issue is the harassment and persecution of Soviet Jews. Indeed, it is this repressive treatment that has partially spurred the rush to emigrate.

Now, in the past week, we read reports from Russia of seizures of Jews whose only crime has been to apply for exit visas. These indiscriminate searches, seizures, and interrogations are allegedly part of the preparations being made for Mr. Nixon's visit.

Reliable reports have it that Jews are fleeing to the countryside in an effort to avoid arrest. Many of those who have not fled have been seized in their apartments, several after the KGB smashed down their doors. Some of those who fled the cities have been searched out in the country by the secret police and arrested. At least 50 have been arrested so far.

Mr. Speaker, I am horrified at this re-emergence of what may only be described as Gestapo tactics. One Jewish witness, 27-year-old biochemist Alexander Goldfarb, reports that—

In Moscow there's a real hunt on for Jews. We are on the run. We are under siege. It is not a very pleasant feeling to hide away like a rat.

There are two particularly distressing aspects to this unhappy course of events. First is the report that some Jewish activists maintain that Mr. Nixon's recent statement at the Naval Academy graduation, that emigration was an internal Soviet affair, has given authorities a free hand to launch such a crackdown. Second is the fact that the catalyst for these events seems to be the approaching visit of the President of the United States. These two elements unhappily link the United States, or at least Mr. Nixon, to the causes of this renewed repression. What has added to my dismay is the fact that we have not heard a word and have not seen any effort from the White House to try to put a stop to these repugnant preparations. I hope that we will see a little more sensitivity from the administration in the immediate future. We cannot remain silent associates to this horrendous repression.

COMPREHENSIVE HEALTH CARE FOR CHILDREN

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. KOCH. Mr. Speaker, I have read the enclosed testimony which the American Academy of Pediatrics delivered before the House Ways and Means Committee on national health insurance legislation on June 14.

The testimony compares the three major health bills being considered by the committee as the American Academy of Pediatrics sees them affecting the health and welfare of the children of this country. I think the information would be very helpful to our colleagues and I, therefore, set the testimony forth:

NATIONAL HEALTH INSURANCE INTRODUCTION

Mr. Chairman and members of the committee: I am Dr. Donald Schiff, a pediatrician

in private practice in Denver, Colorado. As chairman of the Committee on Third Party Payment Plans of the American Academy of Pediatrics, I have been designated to present this testimony to you. Representing the Academy of Pediatrics, we have with us today Mr. George Degnon, Director of our Washington Office, and Mr. Al Stolper, Administrative Assistant to the Executive Director of the Academy.

The American Academy of Pediatrics is the national organization of certified specialists, which since 1930 has been responsible for the establishment of standards of quality of pediatric practice, education, and research. America's most valuable resource is its children. The country's future is dependent upon their health and welfare which is, in turn, dependent upon their receiving good comprehensive medical care. The goal of the American Academy of Pediatrics is the attainment of all American children of their full potential for physical, emotional, and social health.

National Health Insurance provides the opportunity for removing the financial barrier to achieving comprehensive health care for children.

COMPREHENSIVE CHILD HEALTH CARE

Comprehensive child health care consists of all services given to infants, children, and adolescents necessary to establish and maintain optimal health. These services should be rendered when indicated on a 24-hour basis by a personal physician or his aide acting under the physician's supervision either in the office, hospital outpatient department, or other facility.

We have provided you with an appendix to this testimony which outlines in greater detail important components of comprehensive child health care.

It appears appropriate at this point to emphasize some of the vital differences which set children aside from the rest of our population. First, there is the irremediable opportunity to detect diseases such as PKU and to prevent others such as whooping cough, polio and possibly coronary artery disease. These measures have produced savings of not only tens of millions of dollars, but have prevented the individual misery of families and the shared suffering of an entire nation which must deal with the residual of such diseases.

As our medical knowledge and capabilities increase, it becomes mandatory that this capability is put to efficient use for the good of children.

Secondly, the absolute dependence of children upon their parents to secure medical care for them places a special responsibility on all of us to remove every barrier to comprehensive health care of high quality.

We have observed the strides that this country has made in the 60's with help for the elderly in the Medicare program. It is time to dedicate ourselves in the 70's to children. This is an opportunity to respond in the highest sense to our moral responsibility to our future.

The next portion of our presentation will deal with an analysis of the three major health bills.

ANALYSIS OF H.R. 1, H.R. 13870 AND H.R. 12684 H.R. 13870

We commend the following major components:

- A. Mandatory catastrophic benefits.
- B. The utilization of the health card principle.
- C. An excellent definition of well-child care.
- D. The removal of deductibles for preventative health services to pregnant women and all children through age 6 and for certain others services to children through age 13.
- E. The inclusion of funds for manpower, facilities and equipment, research and planning through the Health Resources Board.

On the basis of our studies of H.R. 13870, we propose the following changes:

A. Remove co-insurance and all deductibles for preventative services to children and pregnant women.

B. Change the age for coverage of preventative services to children from 6 to 21 years of age.

C. Name as specific benefits in Section 2011(a)(1) instead of as exceptions to exclusions in Section 2011(a)(2).

1. Preventative services (well child care).

2. Multi-discipline diagnostic evaluation of the handicapped child.

D. Make funds available for programs to provide health education to the public.

E. Name pediatricians as a specific group of physicians which is authorized to use physician extender services as defined in Section 2051(w).

F. Create an entirely new formulary list. Specifically add important groups of drugs such as biologicals, antibiotics, psychotropics, decongestants, sedatives, dietary supplements such as iron and fluoride, and individual drugs such as phenobarbital. Place a pediatrician on the Formulary Committee to insure the on-going recognition of the fact that children are different and may have different drug requirements.

G. Mental health services should be broadened to provide 100 days of inpatient treatment per year compared with the present provision for 30 days of inpatient treatment as contained in Section 2011(b)(3). We must remove the financial advantage of receiving care from a comprehensive community care center as compared to other mental health facilities.

H. In determining the level at which catastrophe benefits would apply, a higher income level sliding scale should be used to prevent the hardship which would be placed upon many families in the \$8,000-\$12,000 income range.

H.R. 1

We commend the following major components:

A. Mandatory coverage of medical catastrophe.

B. Special emphasis placed on health and health care in the federal organizational structure by establishing a separate Department of Health.

C. No co-payment or limitations on immunizations.

D. No co-payments or deductibles applicable to preventative services. ("well-baby care") for children under age 5.

E. Coverage for dental and vision care for children through age 12.

Suggested changes in H.R. 1:

A. No deductibles or co-insurance should apply to preventative services to children and young adults up to age 21, instead of age 5.

B. Adopt the health card mechanism to reduce overhead costs to the physician and possibly to reduce general administrative costs.

C. To reduce cost, utilize the family-deductible principle rather than co-payment varying with services provided.

D. Eliminate specific numbers of visits from the bill. Utilize peer review to provide monitoring of proper utilization.

H.R. 12684

We commend the following major components:

A. Catastrophic benefits with maximum cost-sharing for the poor based on income on a sliding scale basis.

B. Coverage for preventative care to pregnant women and children up to age 6.

C. Guarantee that people will have a maximum liability for health care costs in a given year.

D. The "credit card" principle would result in reduced overhead costs to the physician

and could result in reduced administrative cost.

Suggested changes in H.R. 12684.

A. Require mandatory catastrophe coverage.

B. Remove coinsurance and deductibles for preventative health services to children and pregnant women.

C. Change the age for coverage of preventative services to children from 6 to 21 years of age.

D. Name as specific benefits in Section 1841(a)(1) instead of as exceptions to exclusion in Section 1841(a)(2).

1. preventative services (well child care).

2. multi-discipline diagnostic evaluation of the handicapped child.

E. Name pediatricians as a specific group of physicians which is authorized to use physician extender services as defined in Section 1881(w).

BASIC PRINCIPLES OF NATIONAL HEALTH INSURANCE AS VIEWED BY THE AMERICAN ACADEMY OF PEDIATRICS

1. Coverage of medical catastrophe is of paramount importance. Special attention is required to set an appropriate sliding scale with care to avoid undue hardship to those families in the \$8000-\$12,000 income bracket.

2. Comprehensive child health care should be covered as defined by the American Academy of Pediatrics.

3. Preventative health services should encompass the entire pediatric age scale of birth to 21 years old.

4. Deductible and co-insurance can help reduce the total program cost of National Health Insurance, but should not be used for preventative health care for children or pregnant women.

5. The "credit card" principle would reduce physician overhead cost and could reduce administrative costs.

6. The creation of a cabinet post of Secretary of Health may be a useful way to give adequate recognition to health needs.

7. Increased funding of psychological services has a very high priority.

8. Adequate funding of health education of the public is essential. Health education can be an effective method of making the public more aware of their health needs while encouraging appropriate utilization of health services and improving the general health habits of the public. Attached in Appendix 2 is a description of some of the ways the Academy is seeking to provide health education to the public.

CONCLUSION AND COMMENT

The need for a major change in the financing and delivery of health care in the United States has been demonstrated. The American Academy of Pediatrics has been in the forefront of those medical organizations who have supported this principle of change.

Our interest is derived from the recurring experience of caring for children who need help for simple or complex diseases but who, for either financial reasons or because of a lack of medical manpower, received care late or not at all.

The breadth of the needs of children clearly extends beyond the simplistic ideas of providing a few more dollars for a hospital bed or a dose of polio vaccine, important as they are.

The significance of the National Health Insurance bills we are considering at this time is that the authors have demonstrated their understanding of the contribution they are making to the future well being of this country.

We must build upon the strengths of our present medical care system, taking special pains to retain the currently productive programs such as Crippled Children's, Maternal and Child Health, and Children and Youth. The above named sources of medical care have

long filled the gaps which have existed in our current health systems for children. They provide services beyond the scope of benefits which might be reimbursible under National Health Insurance, such as the services of nutritionists, social workers, speech and hearing therapists, etc., so very important to health care for low income families. These vital services must not be deleted by any new national health insurance programs. The special needs of children who receive help under these Title V programs, if unmet, can lead to a lifetime of medical expense.

The influence of good health extends beyond the prevention of the former dread killers—diphtheria, tetanus and polio. Today we can state that we understand the basic facts about many diseases that cause mental retardation and how to either prevent or ameliorate them. We have brought most infectious diseases under control and anticipate continued success in our search for answers to the remainder. Our concepts of comprehensive health encompass proper nutrition and its effect on brain development in the very small child. Comprehensive health care requires us to take the measures to prevent lead poisoning which can lead to brain damage and death. Psychological disturbances in adults have their origins in childhood. We would be foolish if we claimed that we can with any single measure prevent a specific emotional breakdown; however, it would be totally inaccurate to fail to point out that observations of children and an understanding of common disorders enable us to pinpoint those children in whom psychological treatment would be of great benefit and perhaps prevent severe delinquent or criminal behavior.

Impressive as the current health proposals are, we wish to refer you again to the recommended changes and the basic principles as stated earlier in this testimony. These changes will make the vital difference and will help create a landmark change in our way of life.

The American Academy of Pediatrics would be pleased to continue to work with you to help accomplish our stated goal of bringing good health to all Americans, but particularly our children. The opportunity to mark the 70's as the decade for children is within our reach. Let us work together to make it happen.

APPENDIX I—COMPREHENSIVE CHILD HEALTH CARE AS RECOMMENDED BY THE AMERICAN ACADEMY OF PEDIATRICS

Pre and postnatal care of all infants, including care rendered in the delivery room for "high risk births."

Diagnosis and treatment of disorders of growth and development.

Preventive care through periodic examinations and immunizations.

Anticipatory guidance and counselling.
Diagnosis and treatment of illness and injury.

Diagnosis, treatment and rehabilitation of patients with abnormalities both physical and mental, congenital, and acquired.

Diagnostic x-ray and laboratory services either in the office, hospital outpatient department, or other facility.

Consultations.
Concurrent care (simultaneous services by more than one physician or surgeon).

Consecutive care (continuation of services when the care of the patient is transferred from one physician to another).

Screening tests for vision, hearing, and intellectual development.

Psychiatric and psychological services, both diagnostic and therapeutic.

Utilization of community medical resources.

Other services such as the preparation of special reports, services requiring extended time commitments, services rendered at unusual hours or after extended travel.

Future services which may be made possible through research.

Dental care, as provided by a dentist or his aide.

APPENDIX 2—SUMMARY OF THE AMERICAN ACADEMY OF PEDIATRICS' PUBLIC HEALTH EDUCATION EFFORTS, 1973-74

The American Academy of Pediatrics has long sought to improve child health care through public health education. In the past year the Academy has initiated a number of major programs communicating child health care information to the public through television, radio, motion pictures, newspapers and other printed material.

A major effort this year was the development of a 13-program television series on child care entitled "An Ounce of Prevention." It will be shown on more than 100 top television stations in the country. The originator and producer of the series is Frederick J. Margolis, M.D. an Academy Fellow who is a consultant to the AAP's Committee on Public Information. Each show is 15 minutes long. It features Dr. Margolis explaining typical child health problems accompanied by live animation and parent interviews.

Stations participating in the program may, if they choose, show only the prepared tape featuring Dr. Margolis. However, the Academy has agreed to help individual stations secure local pediatricians to do a 15-minute follow-up segment after the presentation of the Margolis tape. Telephone questions from the audience might be answered. Thus, the entire "Ounce of Prevention" show would cover 30 minutes of air time. The show will first be aired in June on stations in Arizona and Pennsylvania, followed by screenings elsewhere in the fall.

In another important area, the Academy is playing a major role in a multidisciplinary national effort to raise the immunization levels of millions of preschool children. The nationwide communication program is called Immunization Action Month October 1974 and is directed at both the physician and the public. The Academy will be responsible for coordinating the activities of the five medical organizations participating in IAM 1974. They are: the Academy, the American Medical Association, the National Medical Association, the American Academy of Family Physicians and the American Osteopathic Association. The entire IAM program will be coordinated by the U.S. Center for Disease Control which will supervise the activities of the medical associations as well as the following groups: Conference of City and County Health Officers, Association of State and Territorial Epidemiologists, American Nurses' Association, National League for Nursing, American School Health Association, National Center for Voluntary Action, Health Insurance Association of America and five pharmaceutical firms who manufacture biologics.

The objective of IAM October 1974 is to immunize a minimum of 90 per cent of the estimated five million susceptible children between the ages of one and four against polio, measles, rubella, diphtheria, tetanus and whooping cough by the time they enter the first grade. These five million incompletely protected children constitute the largest percentage of "mini-epidemic" fatalities.

A third major program has been the showing of the TV documentary "Prescription: Food." This film on malnutrition in American children has been shown on public television in Minneapolis, Cleveland, Washington, D.C. and Boston. It was previewed in each area by groups of several hundred prominent leaders in medicine, education and government. Subsequent to the showing of the film, groups in Cleveland, Minneapolis and the District of Columbia applied for and received funding to initiate special supplementary food programs in their area. The film has been reviewed by the Academy's

Committee on Nutrition and all showings are arranged in cooperation with the Academy. Academy representatives have attended every preview. The film was produced in Memphis, Tenn. and at St. Jude's Children's Research Hospital there.

In addition to these three major public health education efforts the Academy has also, in the past year, completed or initiated a number of comprehensive programs designed to provide the public with information in a number of areas of child health care. These included: cooperation with Action for Children's Television to publish "A Family Guide to Children's Television"; distribution of 1,000 polio immunization kits to television news directors and general managers, radio stations and major newspapers to assist them in alerting the public to the immunization problem; production of two motion pictures on accident prevention, "My Children Are Safe" and "Protecting Young Lives," starring Lynda Johnson Robb and her two children, in cooperation with the National Safety Council and the U.S. Consumer Product Safety Commission; distribution of a number of television spot announcements of car restraints for infants and children, nutrition, accident prevention and tuberculin testing. The Academy has also assisted a number of writers and editors for magazines of national circulation to develop articles on child care. These include, *Redbook*, *Good Housekeeping*, *Baby Talk*, *Family Circle*, *Today's Health*, and *Readers Digest* to name a few. The Academy also maintains a close relationship with the nation's press, through a regular program of news releases and press rooms at national meetings, in order to publicize recent advances in pediatrics and techniques of child health care.

THE GREAT MAIL BUNGLE

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. WRIGHT. Mr. Speaker, under leave to extend my remarks I am including the last in a series of investigative articles which began in the Washington Post on June 9. This account blames top postal officials for the system's inability to operate a successful service to the people.

As we have been recently reminded, the current conditions in the Postal Service leave very much to be desired. While postal officials should be on an all-out offensive to cure the ills existing in their system, too often the management is on the defensive trying to cover up the problems. It is time for the Congress to realize that postal officials have "swept the dust under the rug" for too long.

Upon examination of the management of the Postal Corporation we find top ranking officials who are apparently out of touch with the operation of their agency. This explains why the leadership is so often unresponsive to problems of the system.

Board members are paid \$10,000 a year, plus expenses, to sit in titular part-time positions. While \$10,000 admittedly is not a magnificent salary, what do we get for it? The answer seems to lie in cost overruns, faulty mechanical systems, and rate increases.

Originally, the intent in the creation of the new Postal Service was to provide an efficient, low-cost service to the American public. After taking a long look at the situation, I find that this is anything but what we have today.

The article follows:

[From the Washington Post, June 15, 1974]

POSTAL WOES AT TOP
(By Ronald Kessler)

"The will of the Congress, and the will of the people, is clear," President Nixon declared in 1969, when he proposed reform of the Post Office Department. "They want fast, dependable, and low-cost mail service. They want an end to the continuing cycle of higher deficits and increasing costs."

Five years later, the record of the new Postal Service shows mail service has become slower rather than faster, deliveries more erratic rather than more dependable, and costs and government subsidies larger rather than smaller.

The new U.S. Postal Service has not been without achievements. It has appointed postmasters on merit rather than political considerations. It has decentralized operations to allow field managers to make more decisions based on local needs. And it has encouraged managers to think for themselves instead of relying on rule books.

But the agency has failed to fulfill its mandate of improving service and reducing costs, and much of the debate over this failure has centered on a philosophical argument: Is the Postal Service a government agency created to serve the people or a business created to make a profit?

The debate stems from the agency's twin congressional mandate—it must operate as a "service to the people" and strive to become financially self-sufficient by 1984.

The argument largely misses the point. A private company that gives poor service will eventually lose its customers, and with them, its profits. In business, as in government, service comes first and cost-cutting second.

The Postal Service has often forgotten this, but a majority of the present and former postal officials, congressmen and their aides, technical experts, and mail users interviewed for this series of articles said they believe the agency's problems go deeper than a reversal of priorities.

The problem, in their view, is not the basic legislation creating the Postal Service. Although the legislation could be improved, they said, a return to the old Post Office Department would be a step backward.

Instead, the problem, in the view of most of those interviewed, is a lack of direction by the postal agency's management and the lack of a remedy in the congressional act for dealing with poor management.

The postal management does not see it this way. It contends that service has improved and costs have been cut, but there is less to these claims than meets the eye.

The agency said the postal deficit has been reduced, but a look at the annual report shows this has been accomplished because government appropriations have been increased.

It said productivity has gone up, but internal agency memos show the improvements have often been at the expense of service—for example, reducing collections from mail boxes. The 14 per cent increase in productivity—pieces of mail handled per man-year—has been offset by a 48 per cent increase in average compensation paid per man-year.

The agency said it has avoided crippling strikes, but union and postal officials said this has been achieved by giving the unions almost everything they demanded.

It said it has cut its work force by 5 per cent, but the reductions have been of temporary workers in response to union demands, while the number of costly, full-

time workers has gone up. While the work force has been cut, payment of overtime has risen 13 per cent under the new management of the agency.

The Postal Service said it now treats mail users as "customers," but when it decided to strive no longer for overnight delivery of all mail, the agency made a deliberate decision not to tell the public or Congress.

The agency said improvements in service should now begin to show up, but it has been making similar claims almost since it was created.

Rep. Thaddeus J. Dulski (D-N.Y.), chairman of the House Post Office and Civil Service Committee, wrote to Postmaster General Elmer T. Klassen last December:

"I have been given repeated assurances that solutions to the collapsing postal system were at hand. But the promises keep falling by the wayside; instead of improvements, new complications arise, and things grow steadily worse."

Some of the reasons are relatively easy to pinpoint.

Service reached its lowest point since the agency began to measure it on a consistent basis in 1968 after Klassen ordered a hiring freeze in 1972.

The freeze applied equally to post offices with rising and declining mail volume. Since the agency is almost totally dependent on human labor to move the mails the resulting decline in service was not a surprise.

The lesson was not new. Although the old post office publicly blamed the historic pile-up of mail in the Chicago Post Office in 1966 on factors largely beyond its control, former high-ranking postal officials said it was caused by a refusal by then Postmaster General Lawrence F. O'Brien to soften a freeze on overtime. O'Brien said recently he could not recall his decisions on the matter.

Klassen now concedes his freeze was "wrong," but he blames aides for not warning him. One former aide said he told Klassen, but the advice was ignored.

Although the reasons for imposing a hiring freeze are readily understandable, many of the postal management's decisions outlined in this service are more difficult to explain.

How does one explain a decision to deliberately slow down first-class mail delivery? Or to spend \$1 billion for parcel sorting facilities that promise slower service than one's competitor? Or to spend five years and \$49 million on new mechanized letter sorting equipment without knowing what the equipment is supposed to do or what its full costs are? Or to charge first-class mail users for buildings not used by first-class mail?

Perhaps the most perplexing decision is a non-decision not to seriously explore requiring the public to use envelopes preprinted with boxes for zip codes. Most experts interviewed said these envelopes would solve most of the Postal Service's problems because they could be sorted easily by relatively inexpensive machines. Those who did not wish to use the envelopes could pay extra postage, the experts said.

The Postal Service said it does not believe the public would accept such a system, but it acknowledges that it has not asked.

Many present and former postal officials explained these shortcomings by citing the effects of a bureaucracy, of the Postal Service's lack of either public accountability or a profit motive, of its inability to attract the top government job applicants, and of its lack of direction from the top.

"The basic inclination is to destroy intelligence and initiative," said a consultant who has worked closely with what he calls the "postal bureaucracy."

"There are more Ph.D.s, analysts, economists, and mathematicians on my floor at AT&T than in the whole Postal Service," said Dr. James C. Armstrong, a former postal

executive who is manager of corporate planning for American Telephone & Telegraph Co. in New York.

"Nobody at the Postal Service looks at the whole picture," said Merrill A. Hayden, a former Sperry Rand Corp. executive vice president who was deputy postmaster general in 1971. He said each department within the agency goes its own way, and no one coordinates them.

Most of those interviewed said that rather than solving these problems, Klassen, the 65-year-old head of the Postal Service, has exacerbated them.

Klassen had risen from office boy to president of American Can Co. when he was named deputy postmaster general by President Nixon in 1969. He was subsequently appointed by Mr. Nixon to the newly created Postal Service board of governors, and in 1971, the board named him to succeed Winton M. Blount as postmaster general.

Critics, who refused to be identified, said Klassen does not take time to learn the workings of the Postal Service, inhibits aides from giving candid advice, gives short-shrift to long-range planning, and blames others for problems he often creates himself.

Former aides, who also insisted on anonymity, said Klassen takes frequent vacations and spends long weekends at his summer home.

Klassen's apparent lack of knowledge of postal operations has not gone unnoticed in Congress, where he is quizzed periodically on why the mails are so slow.

Referring to aides, Klassen brought to help answer questions at a hearing last year, Rep. Charles H. Wilson (D-Calif.), said, "You have 40 or 50 people here, and yet you seem to have difficulty answering some of the questions."

Present and former aides of Klassen said his lack of attention to detail is aggravated by eyesight that becomes strained when reading normal size print. Because of this, they say, reports given to him are often in large-size type, or he is given oral reports illustrated with slides.

Klassen denies he has a reading problem, and he has said he has been given bad advice by his subordinates. "There are too many people who want to tell the boss what they think he would like to hear," he said at a Senate postal hearing.

"Klassen says he's lied to. He's right. The reason is they're frightened of him. He says you do something, and I'm going to fire your ass," a former aide said.

Klassen denied he intimidates aides, and he cited meetings he initiated in February, 1973, to elicit criticism from postal managers. However, when the criticism turned to him, recalled a former aide, "He chewed them out."

While Klassen often talks of cost-cutting and modern management techniques, he has been criticized for lavishly furnishing his office (\$1,500 for a receptionist's desk, \$11,000 for carpeting), and his performance at American Can has come in for attack on Wall Street.

* * * for Merrill Lynch, Pierce, Fenner & Smith, the stock brokerage firm, American Can was "poorly managed" and "lacked a sense of direction."

An analyst for Smith, Barney & Co., a New York investment banking firm, said American Can was "one of the worst-managed companies in existence" under Klassen. "They just did everything wrong," he said.

In recent interviews, Klassen, a gruff, plain-spoken man who towers above most of his visitors, said, "I agree that American Can is poorly managed now. I brought the company from \$2.70 per share to \$4.18 per share."

(Earnings rose from \$3.57 a share when Klassen became president in 1965 to \$4.24 a share when he left in 1963.)

American Can's chairman did not respond to telephone calls.

Alternately hostile and conciliatory, Klassen said, "All you're really trying to do is smear the Postal Service, including Klassen." Softening, he offered, apparently only half in jest, to hire this reporter as a consultant. Klassen denied subordinates are afraid to tell him the truth. "People speak their goddamn piece," he said.

"Sure I'm impatient," he said. "I want to turn this thing around."

Under the structure established by Congress, Klassen reports to a board of governors, whose members are appointed to nine-year terms by the President. The board alone has the power to hire or fire a postmaster general. If service is slow, only the board can take action to correct it.

Those who have worked with the board said it has little understanding of how the Postal Service operates and is dependent on Klassen and his staff for information.

The board cannot take action if it does not think service is slow, and whether it is aware that service has declined under the policies of the new Postal Service is an open question.

Board members are paid \$10,000 a year plus expenses and \$300 per meeting. They make decisions affecting billions of dollars in public funds. But half the board members did not return telephone calls made to determine if they were aware service had declined.

Of those who did return calls, one said he would answer only questions in writing, and the remaining members talked only in generalities or praised the Postal Service.

"I think the management is doing a good job," said Crocker Nevin, a former chairman of Marine Midland Grace Trust Co. in New York. He declined to discuss service.

Dr. John Y. Ing, a Honolulu oral surgeon, said he thought service had improved "considerably" since Klassen became postmaster general. (Postal Service sampling figures show it has remained unchanged—far worse than in fiscal 1969, the last year of the old Post Office management.)

Asked about Postal Service plans to spend \$1 billion on bulk mail sorting facilities and \$4 billion on letter sorting centers, Dr. Ing confessed he was "not too familiar" with the letter system and had not received "detailed" information on the bulk mail system.

The vice chairman of the board, Myron A. Wright, chairman of Exxon Company, U.S.A., the oil company, was among those who did not return calls.

The board chairman, Frederick R. Kappel, the former AT&T chairman whose report led to postal reform, said he would grant a personal interview only if it would "help" the Postal Service.

Kappel, 72, continues to maintain an infrequently used office at AT&T headquarters and owns AT&T stock and pension rights. In a brief telephone conversation from his Bronxville, N.Y., home, Kappel referred to "they" in the Postal Service and "we" in the telephone company.

Asked if he is aware postal service has declined, Kappel said he was not familiar with the figures but believes Klassen has provided proper leadership and "turned around" the agency.

He said, "If the Postal Service had spent less time sitting before congressional committees, they'd have better service."

STEEL PRICE HIKES

HON. JOHN N. HAPPY CAMP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. CAMP. Mr. Speaker, yesterday morning Bethlehem Steel Co., the coun-

try's second largest steel mill, posted base price increases of from 5 to 15 percent on almost its entire product line.

When the events of the recent past are examined closely, it becomes apparent that what we are really talking about is a 40-percent increase in most steel costs since March 7. Let us take a look at what has happened in 4 short months.

In early March of this year, the Cost of Living Council finally okayed an 8-percent increase in steel prices, after denying this request in December 1973 and February 1974 as inflationary and unwarranted. I understand, by the way, that 8 percent is a normal annual increase in steel prices. However, the expiration of the Economic Stabilization Program on April 30 found the steel mills ready with another sizable price increase of about 10 percent, coupled with word that the extra fees charged for certain sizes of steel would be raised later in the month. On May 20, the extra charges were hiked, causing construction steel costs to rise some 10 percent. Yesterday's announcement by Bethlehem, which brings its prices up to those of the other major companies, brings the total percentage increase since March 8 to approximately 40 percent.

To get an idea of what this will mean to the steel mills' customers, let us look at price comparisons between March 7 and June 24 on some of the basic steel used in the construction business. All figures given are for steel plate sized 3/8 inch by 84 inches by 53 feet:

A36 grade—March 7, 1974: \$9.30 cwt; June 24, 1974: \$12.95 cwt; Increase: 39.2 percent or \$73 per ton.

A588 grade—March 7, 1974: \$12 cwt; June 24, 1974: \$16.25 cwt; Increase: 35.4 percent or \$85 per ton.

A441 grade—March 7, 1974: \$10.15 cwt; June 24, 1974: \$14.85 cwt; Increase: 46.3 percent or \$94 per ton.

A572 grade 50—March 7, 1974: \$9.85 cwt; June 24, 1974: \$14.35 cwt; Increase: 45.6 percent or \$90 per ton.

The prices quoted above are Bethlehem's and, as I said, their action yesterday brings their prices in line with the other majors.

Let me point out, too, that the smaller steel companies have kept pace with the majors' prices and, in fact, the so-called mini-mills have maintained a \$1.17 margin per hundredweight above the majors' prices, an increase in their prices of about 55 percent in a 13-month period.

In the steel business, Mr. Speaker, the metal fabricator agrees to buy steel from the mill at whatever the going price is on the day the steel is shipped. Since all the mills have this policy, there is no way to be sure that steel costs will not rise before delivery is made.

On the other hand, the metal fabricator in dealing with his buyers customarily contracts to deliver goods at a certain, fixed price. Thus we have a situation where unexpected increases in costs brought on by a hike in basic steel prices cannot be recovered by passing these increases along.

It is easy to see then where a company's backlog of orders could bankrupt it, given staggering steel price increases like the one announced yesterday. In fact, according to informed sources, one company is facing an in-

crease on one job of some \$450,000 on just the steel product purchase cost alone. Another job will cost this same company an additional \$650,000 in unanticipated costs as a result of yesterday's action. That is over a million-dollar increase in costs on just two jobs, Mr. Speaker, and I would venture to say that this kind of a situation will not be unusual if these increases are allowed to stand.

Mr. Speaker, the fact is that if steel prices continue to rise at the rate they have over the past 4 months, not only are many of our metal fabricators going to be in real trouble, but, ultimately, every consumer in the United States is going to be forced to pay for increased costs with the purchase of any product containing steel.

WHALE OIL, BABY CHICKS, AND ENERGY

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. MINSHALL of Ohio. Mr. Speaker, I am indebted to my good friend, John W. Burke, Jr., of the Business Council here in Washington, for calling to my attention an outstanding article in the June 7 issue of National Review. Walter B. Wriston, chairman of the First National City Corp., states an excellent case for the free market.

Under leave to revise and extend my remarks, I insert Mr. Wriston's "Whale Oil, Baby Chicks, and Energy" in the RECORD:

WHALE OIL, BABY CHICKS, AND ENERGY (By Walter B. Wriston)

Anyone in our society whose eyesight and hearing are not totally impaired is likely to believe that we are on a collision course with Doomsday. Certainly the energy shortage has produced no scarcity in the rhetoric of crisis. Considering the amount of time and space devoted to predictions of impending disaster, it would appear that the media have sought to validate a variation on Gresham's law: bad news drives out good.

The complusion of the media to turn every scrap of bad news into a full-blown crisis distorts our perspective. The media neglect to remind us that troubles may be news, but they are by no means new. This negative emphasis ignores the decisive role of human ingenuity in a free society. One of our distinguished historians, Barbara Tuchman, recently put it this way: "The doomsayers work by extrapolation; they take a trend and extend it, forgetting that the doom factor, sooner or later, generates a coping mechanism. . . . You cannot extrapolate any series in which the human element intrudes; history, that is the human narrative, never follows, and will always fool, the scientific curve." How right is her insight; alarmists' curves frequently are based upon downward trends. As early as the sixth chapter of Genesis some believed the world was headed downhill. The doomsayers were already looking back upon better times: "There were giants in the earth in those days."

Prophets of doom have a second weakness. They fail to appreciate man's inherent ability to adjust and innovate. The British economist Thomas Malthus predicted in 1798 that the imbalance between population growth and food production would cause the world

to starve to death. The doomsayers called it Malthus' iron law. As time has proved, it was neither iron nor law. Like many of our current crop of transient experts, Malthus fell into the oldest trap of all in the prognostication game. He underestimated everyone's intelligence but his own; he was incapable of imagining that out of the Industrial Revolution would come reapers, threshers, combines, and tractors. He did not foresee the era of cheap energy. Nor did he envision chemicals and fertilizers creating such abundance that foolish governments would pay farmers *not* to cultivate the soil.

A third fault accounts for the inability of the doomsayers accurately to predict what will happen. They cling to the belief that there are accepted absolutes in a world of rapidly changing value systems. As the French poet Paul Valéry put it, we often tend to be marching backward into the future.

Examples abound. A presidential commission appointed by Herbert Hoover in 1929 later reported to Franklin D. Roosevelt on how to plot our course through 1952. The report was in 13 volumes prepared by 500 "researchers." The summary required 1,600 pages. Yet there was not a word about atomic energy, jet propulsion, antibiotics, transistors, or many other significant developments. Herman Kahn's opus on the year 2000 never mentioned pollution, nor was there any real emphasis on the energy shortage. The people who have come closest to predicting the future are some of the science fiction writers, unencumbered by elaborate research or prestigious committees, but with the courage to dream. Jules Verne's wild imagination proved to be more prophetic than the calculations of Malthus.

Our latter-day Malthusians, whose forecasts are often dignified with computer printouts, which substitute for ox entrails in modern-day occult prediction, appear oblivious to the fact that man, given the proper incentive and freedom to act, has repeatedly found substitutes for dwindling materials. The United States was denied 90 per cent of its sources of natural rubber during World War II, but technological ingenuity created synthetic rubber which is now more widely and flexibly used than the natural product. One of the most common substances in the world is bauxite, but it was not regarded as much of an asset until the way to make aluminum was perfected. Coal was not even considered a resource before the Steam Age, nor was uranium highly valued before the Atomic Age. Since the Industrial Revolution, resources have grown exponentially, step by step, with man's ability to apply fresh technology to his needs. These experiences of yesterday are relevant today. I do not assert that history repeats itself, but offer a reminder that the human story did not begin with today's crisis.

Energy is no exception. Few Americans even remember that from the time of the American Revolution until the Civil War, a major source of artificial lighting was the whale oil lamp. No one should have needed a congressional commission to predict that the supply of whale oil could not forever keep pace with the demand of a growing nation.

The tragedy of our Civil War disrupted whale oil production and its price shot up to \$2.5 a gallon, almost double what it had been in 1859. Naturally there were cries of profiteering and demands for Congress to "do something about it." The government, however, made no move to ration whale oil, or to freeze its price, or to put a new tax on the "excess profits" of the whalers who were benefiting from the increase in prices. Instead, prices were permitted to rise. The result, then as now, was predictable. Consumers began to use less whale oil and the whalers invested more money in new ways to increase their productivity. Meanwhile men with vision and capital began to develop kerosene and other petroleum products. The

first practical generator for outdoor electric lights was built in 1875. By 1896 the price of whale oil had dropped to 40 cents a gallon. Whale oil lamps were no longer in vogue; they sit now in museums to remind us of the impermanence of crisis. This cycle, repeated in thousands of other instances, is one which the rulers and the Arabian-Persian Gulf area might well bear in mind.

My capsule review of the whale oil "energy crisis" is one of an infinite series demonstrating the ability of the free market to solve problems of scarcity. Shortages, then and now, can often be eliminated when prices are allowed to exercise their age-old functions—motivate the consumer to consume less and the producer to produce more and spur on someone to develop a new product that is better and cheaper. Shortages become a crisis when government intervenes to frustrate the ability of the free market to function. A free market is not chaos, but a continuous economic referendum: essentially it represents the decisions of an infinite number of individuals expressing in action their opinions of values.

Government intervention destroys the path to a democratic decision. The result is noneconomic. No one who saw it on television last year will soon forget the wholesale drowning of baby chicks. It was done because the government froze the price of grown chickens at a level which made it uneconomic for farmers to raise and sell them. Government seems loath to learn from experience in tampering with a free market. Drowning the chicks was a rerun of the plowing under of "surplus" cotton and grain and the slaughter of piglets a generation ago. Yet the liberals were the exponents of the destruction of such animals. This slaughter was predicated upon the proposition that governments are smarter than markets—which all history refutes. Anyone observing the consequences in our country of price and wage controls can have few illusions left about the efficiency of government-controlled market. Yet many businessmen and labor leaders applauded this strangling of enterprise at the time controls were initiated.

To a large extent, what we call the energy crisis was made in Washington, just as was the beef shortage and the chicken shortage. A scarcity of energy in the United States was assured as early as 1954, when Congress empowered the Federal Power Commission to set an artificially low wellhead price on natural gas to be used in interstate commerce. This low price ceiling overstimulated consumer demand and discouraged producer initiative—an infallible guarantee of an eventual shortage. It was the chicken syndrome on a grand scale. Likewise, a ceiling on mortgage rates has great political appeal, but when the government creates inflation, rates rise and the frozen rate becomes the rate at which you cannot borrow money to build your house.

Federal stop-go policies on mining coal, drilling for oil, and the construction and licensing of nuclear energy plants not only have curbed incentive, but also have created a climate of doubt and dilemma. Substituting bureaucratic regulation for the marketplace has always created uncertainty and served first to produce and then to intensify shortages. Whenever our system appears to falter by not providing our accustomed relative abundance at a low price, the people who distrust freedom always stand ready with the simplistic solution: the government should intervene.

There is a paradox in the fact that those who look to government to remedy every economic grievance in our society also want government to get out of their personal lives and stop telling them how to run their affairs. They cannot have it both ways. They cannot ask more and more government intervention in what ought to be a free market and still

insist on more and more freedom for themselves as individuals. No people have ever preserved political liberty for very long in an environment of economic dictatorship. We often learn too late that freedom is indivisible.

In America we have what is described as a free enterprise economy, at least in comparative terms. Nevertheless our government today regulates more business practices than most other democracies. This may seem incredible, but it becomes clear when you call the roll. The American bureaucracy regulates the utilities which produce heat, light, and power; the railroads (or rather what's left of them); trucking companies, airlines, broadcasters, drug firms, dry cleaners, automobile manufacturers, meat packers, film makers, farmers, brokers, banks, and a host of other enterprises. Most of these industries are highly competitive, but government has decreed that they serve a variety of objectives other than selling their products at the lowest possible price. It is not a bad rule of thumb for our Citibank lending officers to remember that the longer an industry has been government-regulated, the worse credit risk it tends to become.

Overregulation is partly our own fault. Our history sometimes reveals a cycle. We let something run wide open until the law of compensating forces operates. Businessmen sometimes fail to anticipate or even respond to the demands of the consumer. If this continues too long, the public becomes angry. Typically, then, the industry or the labor union that is perceived to be out of control forms a "self-regulating" group to set standards and police its own activity. The self-regulatory groups usually fail to respond quickly and strongly enough, so that pressure continues to mount and the government steps in. Currently, people of the accounting profession, who could not even agree among themselves on how to book a tax credit, have set up a sort of supreme court of accounting practice to bring order out of chaos. Maybe they can salvage their influence, but unless they are quick and firm, the SEC will take over and thenceforth do it for them. Lawyers who let some of their brethren disrupt the decorum of the courtroom without effective censure are moving into the same zone of trouble. So also are those bar associations that see nothing wrong with publicly recommending people as judges before whom they themselves will soon practice. Failure to reform themselves and to perceive how rapidly our value systems change will create volumes of regulations we will all regret.

The legal precedent upon which much of our regulation is still based was established in 1670, when Lord Chief Justice Hale declared that "property does become clothed with a public interest, when used in a manner to make it a public consequence and effect the community at large." Defining the public interest in precise terms has occupied the time and attention of generations of judges and lawyers, economists and accountants, businessmen, labor leaders, and politicians at a cost of billions of dollars to government and industry. With the passage of time, the determine of public interest has become buried beneath an avalanche of charges and briefs, statistics and analyses.

The regulator is always adjured to serve the public interest. Sooner or later he usually develops into both judge and jury, and often into prosecutor as well. The Executive should enforce the law. The courts should interpret the conflict. Instead of this, Congress does its best to bypass the executive and judicial branches and create separate institutions that combine legislative, executive, and judicial functions, thus defying the basic rule of the Constitution—the separation of powers. The new regulatory body then makes rules with the force of law, and an administrative judge, who is often an officer of the

regulatory body, then becomes prosecutor, judge, and executive all at the same. The regulatory body substitutes its opinion for the judgment of the free market. As times goes on, the bureaucracy changes the active verb to "complete" into the passive "to be regulated." This process tends to create a rigid, backward-looking system—which is neither business-oriented nor consumer-oriented. Instead it is bureaucracy-oriented.

Time and again when there is opportunity to introduce a new technology or a new service to meet public need, the regulator's first question is not whether the consumer or the public will be better served, but rather whether or not what is new fits into the regulatory pattern. Can it be regulated? Will it require a new statute? Does it call for a shift in policy? The result has often been that what the regulator cannot regulate, he will not approve.

The Eurodollar market is a perfect example. Its birth and continued health is a monument to overregulation. Congress, in its economic wisdom, decreed that American banks could not pay interest on demand deposits. Italian banks, owned by their government, had a cartel which put a floor of 7 per cent under interest rates charged to borrowers. There is a lot of daylight between zero return and 7 per cent—and so the dollars moved away from zero toward a better rate of return. Extreme regulation on two sides of the Atlantic unintentionally created a new market. The bureaucrats of the world, who by definition dislike free markets, have been worrying about this flow of funds ever since. They no longer really want it to go away, since it helped finance the European postwar boom; on the other hand they would like to regulate it. Its very existence undermines their argument that nothing can work for the good of the world without government control.

Many industries continue to be regulated as though they were monopolies, whereas in fact new competitors have long since taken away a good share of their business. Free competition which grows up outside the reach of the regulator creates a whole new situation with the odds heavily stacked against the regulated. The railroads were put at a disadvantage when the truckers began to siphon off revenues; so were the scheduled airlines when the charter flights began to invade the market of the regular carriers. Instead of welcoming the competitive challenge posed by new industries, or applauding the new benefits to the public, the regulatory reflex was to reach out and regulate the new lot also—permitting no industry either to win or to lose on its merits, but causing the public to pay the check for poorer service and higher costs.

Creativity, particularly the invention and application of new technology, requires brains, capital, and hard work. Reward runs with risk but the regulatory system is not receptive to change. Thereupon talented people move on to areas where talent is rewarded. With some notable exceptions, the history of railroad regulations is a classic example of this. It also demonstrates opposition to change through improved technology.

Before the Interstate Commerce Commission clapped the railroads into a regulatory straitjacket, railroads were pioneers in technology—creating the standard track gauge, new freight cars, and safety devices. One of the first acts of the ICC was to tell the railroads that rails should be made of domestic iron—not imported steel which at the time was far more durable. Time after time, efforts of the railroads to improve efficiency through the introduction of new and applied technology were hampered by infuriating and costly delays in regulatory decisions. The regulators expended their efforts in setting tariffs which distinguished between horses for slaughter and horses for draught, between rates for sand used for cement and

sand used in glass making. This bureaucratic concern with trivia, instead of key issues, at a time of trouble can only be compared to the steward's obsession with rearranging the deck chairs on the *Titanic*. Predictably, many railroads chugged slowly down the road to ruin.

Now more than ever, we need efficient healthy railroads; so the King Canutes of the ICC issue 20 pages of regulations! If the situation were not so serious, it would be funny. Louis Menk suggested delicately to the ICC what the problem was. "It has become hellishly unworkable, a dismal failure that has made a shambles of our national railroad system. . . . I take issue with the erosive system of regulation that has wasted a substantial portion of this nation's rail system and threatens the rest of it." With the return on capital of our national railways under 3 per cent, investors are not standing in line to buy railway securities. Things could be worse—the government could own and operate the railroads. Japan does and we hear how fast and clean they are. What you do not so often hear is that Japan employs 450,000 people for about 13,000 miles of track; the Union Pacific with roughly 9,500 miles of track employs 28,000 people. Government productivity is not so good, even in Japan.

Our current energy crisis furnishes another fork in the road. If you look beyond the panic and concentrate on the problem there are a number of ways we can go. We can create a new ICC for oil and gas with the absolutely predictable result that the current market dislocations will become institutionalized, and temporary scarcity will be regulated into permanent shortages. The 1973 chicken syndrome should still be fresh in our minds, and we may yet have time to prevent our government from repeating the same mistakes with energy that we made with price and wage controls.

The other way to go is to permit the enormous innovative talents of the American people to function. Just as Malthus' iron law was relegated to the library stacks by the fantastic increase in agricultural productivity, and the invention of kerosene, and practical electric generators took the whale oil lamps out of the homes of America and put them in the museum, our current energy problem will also be solved in a myriad of ways that no one here can now foresee—if we let the free market operate. Whether it is whale oil, baby chicks, or energy, control by a bureaucracy is no match for the free market in the allocation of human and material resources for the good of all.

THE NEED FOR A BALANCED BUDGET

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. ARCHER. Mr. Speaker, on January 3, 1973, I introduced a proposed constitutional amendment which would require the submission of a balanced Federal funds budget by the President as well as action by Congress which would provide for the necessary funds in order to avoid a deficit.

The serious problems we have experienced with runaway inflation in the last year and a half since the introduction of my bill emphasizes to me more than ever that we need to halt inflation by eliminating a chief cause of inflation—deficit spending by the Federal Government. I am pleased to reintroduce this bill with

18 cosponsors. The Members who have joined me in advocating a constitutional amendment for a balanced budget include Representative JAMES ABNOR, Representative L. A. BAFALIS, Representative CLAIR W. BURGNER, Representative DONALD D. CLANCY, Representative EDWARD J. DERWINSKI, Representative SAMUEL L. DEVINE, Representative JOHN L. DUNCAN, Representative JAMES F. HASTINGS, Representative HENRY HELSTOSKI, Representative CRAIG HOSMER, Representative MARJORIE S. HOLT, Representative JOHN MURTHA, Representative WALTER E. POWELL, Representative ROBERT A. ROE, Representative HAROLD RUNNELS, Representative JOHN WARE, Representative CHARLES WILSON, Delegate ANTONIO BORJA WON PAT.

Federal spending has been increasing at a phenomenal rate in recent years. Mr. Jerry Preston James in a report entitled "Federal Spending and Budget Control: An Analysis and Review" published by the Heritage Foundation, Inc., perceptively summed up the problem:

What, then, have been the effects of rising Federal spending? Ever-increasing taxes, a rising tide of inflation, the surrender by Congress of its constitutional powers of the purse, waste of resources, and a pandering to the mistaken theory that dollars solve problems, with a resulting apathy and non-involvement by the people and a diminished sense of legislative responsibility on the part of individual Members of Congress. Clearly, the price that we pay for runaway Federal spending is far greater than its price tag in mere dollars.

It is essential that we distinguish between the "Federal funds" or "administrative" budget and the so-called unified budget. The Federal funds budget includes the reserve the Federal Government takes in and pays out each fiscal year. The unified budget, a concept instituted in 1969, includes the receipts and expenditures of the trust funds such as the highway fund and the social security fund. Since these trust funds have resulted in substantial surpluses in recent years, these overall totals have resulted in minimizing the total budget deficit. Yet trust fund surpluses are borrowed by the Treasury. They are used to finance a part of the deficit accumulated in the regular operations of the Government. These borrowings add to the public debt as do the borrowings from the public.

Although on paper we appear to have smaller deficits under the unified budget concept, these smaller deficits are illusory. The "unified budget" or "full employment" budget concept serves as a clever gimmick to make it appear that we are on a balanced budget while we are really attempting to hide the deficit.

We need to concentrate our attention on the Federal funds or administrative budget which truly reflects the amount the Federal Government had to borrow from the public and from the Government trust funds in order to finance operations of the Federal Government. It is only the Federal funds budget which counts when the executive branch requests an increase in the Federal debt ceiling. This proposed constitutional amendment would seek to prevent a deficit in the general revenue operations or the Federal funds budget.

The essential need to control Federal spending and avoid deficits is becoming more obvious for all those individuals concerned about the economic health of our Nation. Mr. Arthur F. Burns, Chairman of the Federal Reserve Board, noted in a recent speech that if inflation continued at its present rate, it would place the future of our country in jeopardy and added that "the Federal budget has to be handled more responsibly than in the past." Treasury Secretary William Simon, in advocating a balanced budget for 1976, observed that inflation could be contained in the long run only where there is control over Government spending. The Treasury Secretary noted that in the first 3 months of 1974, the inflation rate was 11.5 percent and that it was unlikely to be brought lower than 7.5 percent by the end of the year. This runaway inflation robs every man, woman, and child, including the poor, the middle class, and the rich by making their hard-earned dollars worth less and less. Recent polls reveal that inflation is one of the major concerns of the voters of our country.

The Federal budget has been in deficit for 14 out of the last 15 years. The budget for 1975 projects a deficit of \$9.4 billion and may go as high as \$20 billion if we have a downturn in our economy. In the past 6 years, the Federal funds budget deficit totaled \$133 billion which constitutes 25 percent of our total national debt in this relatively short period of time. The House recently acted to increase the debt ceiling once again and we are rapidly approaching a national debt of \$500 billion. We need to call a halt to a reckless fiscal policy in which we continue to spend more than we receive in revenues.

The Congressional Budget and Impoundment Control Act of 1974 is a step in the right direction. By linking the authorization and appropriation process it will allow the Congress to get a total picture of the budget. We need to go one step further—we should put in the Constitution a mechanism to bring about a balanced Federal budget. This constitutional amendment would accomplish this purpose.

If adopted, this constitutional amendment would require that the President within 15 days of the beginning of each regular session of Congress submit a budget which would set forth separately: First, an estimate of Government receipts and Government expenditures—other than trust funds—and second, an estimate of receipts and expenditures from trust funds for the coming year. These estimates could be revised during the year as new information became available. Either on or before the last day of the fiscal year, the President must report to Congress the actual amount of Government receipts and expenditures—other than trust funds. If it appears that there will be a Federal deficit within the period of 2 consecutive fiscal years, then neither the House of Representatives nor the Senate could act to pass any bill taking money out of the general fund of the Treasury until such legislation is passed to provide additional revenue to offset the expected deficit within a period of

not more than 12 months thereafter. In the case of a war or national emergency, these provisions could be suspended by the President with a two-thirds vote of Congress. This proposal has certain advantages over other proposed solutions: it is based on 2 consecutive fiscal years rather than 1; it provides the President and Congress with enough time to propose additional revenue to avoid a deficit; it allows flexibility since various means of raising revenue can be explored—for example, income tax, corporation tax, or imposition of a new tax—rather than tying any revenue increase only to the income tax; it would allow the economy a reasonable time to adjust to the tax increase. This bill would accomplish the most important objective: establishing effective machinery for a balanced Federal funds budget.

The time has come for a long-range solution by writing the balanced budget concept into our constitutional law.

FOUR STATES CRUSADE

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BYRON. Mr. Speaker, the Four States Crusade recently visited Hagerstown, Md., under the auspices of Dr. Jerry Falwell, founder of the Lynchburg Baptist College. Mr. Chester F. Delphey, a long-time civic leader in western Maryland, was kind enough to send me a news clipping of this event which I thought my colleagues might find of interest:

FOUR-STATES CRUSADE OPENS BEFORE 3,500 CROWD HERE

(By Paul Marks)

The Four States Crusade for Christ, featuring radio and television minister Dr. Jerry Falwell and gospel singer Doug Oldham, opened a five-night engagement at the Hagerstown Fairgrounds Monday night.

Despite the threat of rain, an enthusiastic crowd of more than 3,500 gathered in the grandstand to hear Dr. Falwell's preaching and the singing of Oldham and the Lynchburg Baptist College Chorale. "We're extremely happy with the crowd," said Dave Davidson, Dr. Falwell's rally coordinator and personal pilot.

"The people in Hagerstown have been just super-cooperative," he said. He said that James Resh of the Union Rescue Mission, with the cooperation of local pastors, was responsible for bringing the Crusade to Hagerstown.

Davidson said that this is the first time the Crusade has come to Hagerstown. He said that he expects an attendance of at least 10,000 on closing night, explaining that the Crusades "tend to build as they go along."

On Monday morning, Dr. Falwell, Resh and about 75 others gathered at "Skylog," the South Mountain retreat of Chester F. Delphey, for an informal brunch.

Delphey, a retired Hagerstown businessman and former chairman of the Washington County Democratic central committee, is now an active supporter of the Four States Crusade.

Dr. Falwell told Delphey and the others he expects great things in Hagerstown as a result of the Crusade. He stressed the need for prayer as the "key to revival."

Dr. Falwell started his "Old Time Gospel Hour" radio and television program 17 years ago, and in 1970 the show went nation-wide on television, appearing every Sunday night on stations across the United States.

Through the U.S. armed forces networks, he said it has become an "international ministry" being aired in England, Australia, Germany, Japan, Canada and other foreign nations.

Three years ago Dr. Falwell founded the Lynchburg Baptist College in Virginia, a Baptist-centered school with a core curriculum format as well as a seminary, having an enrollment last year of 2,200.

Davidson told the Fairgrounds crowd the movement's success is due to "just this one man's heart, that is truly God's heart, and dedicated entirely to helping people."

Beaming up at his audience from a stage at the foot of the grandstand, Dr. Falwell said, "I can honestly say—without having ever known the vast majority of you—that I love each one of you."

A fundamentalist minister, adhering, he said, strictly to the teachings of the Bible, he said, "I'm not asking if you're a Baptist or a Mennonite or a Catholic—I'm asking you if you've been saved."

Speaking of the Bible as the word of God, he said, "This book has the significant distinction of being one book that you cannot read and understand without knowing the Author."

AFRICAN AND ASIAN STUDIES PUT INTO PUBLIC SCHOOL CURRICULUMS

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. MARTIN of North Carolina. Mr. Speaker, the State of North Carolina has embarked upon an innovative program for the introduction of African and Asian studies into the public school curriculums. It is a method educators in other States may wish to evaluate.

Seventh and tenth graders throughout North Carolina will be influenced in the next few years by the results of an institute in African-Asian studies underway at Davidson College June 3-28.

Twenty-five North Carolina college and university professors are being taught how to run inservice training programs for the State's 4,000 7th and 10th grade public schoolteachers. Last summer 15 professors received similar training at Davidson.

These 40 professors will go out from their home campuses in the next few years to lead inservice training programs in African-Asian studies, now required of all 7th and 10th graders in the State.

North Carolina is the first State in the country to try this "multiplier" approach to introducing African-Asian studies statewide. A total of \$126,000 is being provided for the project by the Mary Reynolds Babcock Foundation of Winston-Salem, the National Endowment for the Humanities, the North Carolina Department of Public Instruction, and Davidson College.

Frederick H. Gaige, director of South Asian Studies at Davidson, is director of the summer institute. Other staff members include Betty Bullard, a non-Western studies curriculum specialist

with the North Carolina Department of Public Instruction, and Gerald Hartwig, chairman of the Duke University Committee on African Studies.

PEACE OR POLITICS?

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. SHUSTER. Mr. Speaker, the Altoona Mirror newspaper which is located in my congressional district carried a front-page editorial on June 22 which clearly presented a thesis deserving of your most careful attention. I commend this very thoughtful editorial to my colleagues:

PEACE OR POLITICS?

"It is harder to wage peace than it is to wage war." This observation by our President deserves the thoughtful consideration of all who wish to see a permanent and just peace established among all the nations of the earth. The warlords all seem to have an established place in this history books of the world. Those who sought peace have always seemed to get only minor attention from the historians.

Even Biblical history is filled with the names of warrior heroes. King David played soothing music for King Saul, but the history of his great battles gets the most space. Down through the ages martial music has stirred men onward to battle and all too often to death. We must admit to its stirring effect, even upon those of us who are designated senior citizens.

"Onward Christian Soldiers" is usually sung with more gusto than the wonderful hymns that remind us that as Christians we should love our enemies. Even the small fry seem to keep step with the military bands. Death and destruction is a common theme of movies and television shows. Our youngsters watching these dramatic incidents get an early start in seeing and reacting to violence.

"The way of the transgressor is hard," but the path of those who really seek peace is more difficult. This seems to be especially true of those who seek to feed the starving, to send bread instead of weapons of war to those who are hungry and oppressed.

Herbert Hoover tried to feed the starving people of a world left destitute by the ravages of a great war. His enemies blamed a worldwide depression on him and he left the presidency a sad, disappointed man. Only in the latter years of his long life did he receive the honors that should have been his as he left public office.

We cannot wage war at home against those who are seeking to bring about a world at peace and expect them to be successful in that undertaking. As voters we have a right to demand that all those who level accusations at our President make public their own income tax returns and make public the source of their own campaign funds. No man can expect a fair trial if the jury is packed with hypocrites.

We have a right to demand that the three branches of our government return their attention to the perplexing problems of today. A state of war between the three branches of government can only weaken the nation. This nation needs to stand strong in the eyes of the world, if it is to accomplish its mission toward peace.

Those who "leak" information and those who seek these leaks so ardently need to be exposed to the public eye so that we, the

voters, may be able to ascertain if they are telling the truth. Those who have given important defense secrets to other nations seeking our downfall are traitors and should be made accountable for their acts.

As a nation reunited in our stand before the world, we are without question the strongest nation on earth. Disunited we could become easy prey for those who would destroy our greatest possession—our freedom.

UKRANIAN POLITICAL PRISONERS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. WALSH. Mr. Speaker, in this the era of détente with the Soviet Union, it behooves us to remember the oppression still being carried out by that country on the peoples of the "Captive Nations," the nations forcibly incorporated into the Soviet Union during and after World War II.

Earlier this month, the Captive Nations Committee of Syracuse and Onondaga County, N.Y., wrote President Nixon to remind him of this oppression. In its letter the committee expressed particular concern over the plight of two Ukranian intellectuals.

I would like to share that letter with my colleagues:

President RICHARD NIXON,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are free American citizens and representatives of the Captive Nations in Onondaga County, appeal to you on behalf of two young Ukranian intellectuals who, as political prisoners, are being tortured to death by the Soviet government: They are *Valentyn Moroz*, 38-year-old Ukranian historian, who is being systematically beaten and tortured by common criminals in the infamous Vladimir Prison in the Russian Republic, and *Leonid Plyushch*, 34-year-old Ukranian mathematician and cybernetics specialist, who is near death in a "psychiatric ward" in the City of Dnipropetrovsk in Ukraine.

We appeal to you, Sir, in the name of humanity and justice, to intercede immediately with the Soviet government to release forthwith these two Ukranian intellectuals and allow them to travel abroad, so they may receive proper medical attention which is denied them in their own country. Moroz and Plyushch are not criminals; on the contrary, they are young idealists who sincerely believe in the principles of justice and freedom.

By letting them die deliberately, the Soviet government will not escape international responsibility, but this will only confirm the grave charges of Alexander Solzhenitsyn, the great contemporary Russian writer, to the effect that the USSR is ruled by people devoid of all humanity, and as such is unworthy of being a member of the United Nations, or to receive any concessions or recognitions by the United States of America.

Therefore, once more, we earnestly urge you, Mr. President, to use the power and influence of your high office to save the lives of two young Ukranian intellectuals, while speaking with the high officials of the Soviet Union in Moscow.

The letter is signed by Ukranian, Estonian, Hungarian, Polish, Latvian, and Lithuanian representatives of the Captive Nations Committee of Syracuse and Onondaga County.

1975 BUDGET SCOREKEEPING REPORT NO. 3

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. MAHON. Mr. Speaker, I am inserting for the information of Members, their staffs, and others, excerpts from the "Budget Scorekeeping Report No. 3, as of June 21, 1974," as prepared by the staff of the Joint Committee on Reduction of Federal Expenditures. The report itself has been sent to all Members.

The report follows:

This Budget Scorekeeping Report No. 3 is published in abbreviated form. It shows the impact of congressional action on the President's revised 1975 budget recommendations through June 21, 1974.

This report includes analysis of the scorekeeping highlights together with the main scorekeeping tables. It also includes summarized background information with respect to the revised budget requests and certain other significant budgetary factors. Reference to the preceding report in this series is suggested for full detail and historical comparisons. (See 1975 Budget Scorekeeping Report No. 2 as of June 7, 1974.)

It should be understood, of course, that action on much significant legislation is still pending and may be expected to materially affect calculation of the impact of congressional action on the President's fiscal 1975 budget authority and outlay requests.

SCOREKEEPING HIGHLIGHTS

Fiscal year 1975—Outlays

The impact of congressional action through June 21 on the President's fiscal year 1975 budget outlay requests, as shown in this report, may be summarized as follows:

	House	Senate	Enacted
1975 budget outlay estimate as revised and amended to date.....	\$305,439	\$305,439	\$305,439
Congressional changes to date (committee action included):			
Appropriation bills:			
Completed action.....	-269	+198	-195
Pending action.....	-447	-13
Legislative bills:			
Completed action.....	+140	+384	+922
Pending action.....	+1,190	+3,108
Total changes:			
Completed action....	-129	+582	+727
Pending action.....	+743	+3,095
Total.....	+614	+3,677	+727
Deduct: Portion of congressional action included in May 30 revisions.....	+135	+135	+135
1975 budget outlays as adjusted by congressional action to date.....	306,188	309,251	306,301

Completed actions

A summary of major individual actions composing the \$727 million total outlay impact of completed congressional action to date on budgeted 1975 outlays follows:

COMPLETED ACTION OF BUDGETED OUTLAYS (EXPENDITURES)

Congressional changes in 1975 budgeted outlays [In thousands]

Appropriation bills:	
Special Energy Research and Development.....	+\$20,000
Second supplemental, 1974 (1975 outlay impact).....	-215,000

Legislative bills:

Urban mass transit operating subsidy.....	+ \$400,000
Child nutrition and school lunch.....	+225,000
Civil Service minimum retirement.....	+172,000
Veterans disability benefits increase.....	+134,800
Postponement of postal rate increases.....	+45,200
Civil Service survivor benefits.....	+4,600
Congressional Record, reduced postage fees.....	-8,486
Military flight pay incentive.....	-16,700
Rejection of Salary increases for federal executives.....	-34,000

Total, 1975 outlay impact of completed congressional action..... +727,414

Pending actions

The major pending legislative actions affecting 1975 budget outlays which have passed or are pending in one or both Houses of Congress are shown in detail on Table 1, and are summarized below. It should be noted that incomplete action is shown for seven of the fourteen regular 1975 appropriation bills and some major legislation has not yet reached the reported stage.

MAJOR PENDING ACTIONS ON BUDGETED OUTLAYS (EXPENDITURES)

Bills (including committee action)	Congressional changes in budgeted 1975 outlays (in thousands)	
	House	Senate
Appropriation bills:		
Agriculture, Environmental and Consumer Protection.....	+ \$65,000	
Public Works and Atomic Energy.....	+32,000	
Legislative Branch.....	-5,400	-\$13,000
HUD, Space, Science, Veterans.....	-30,000	
State, Justice, Commerce, the Judiciary.....	-79,000	
Treasury-Postal Service.....	-75,000	
Transportation and related agencies.....	-355,000	
Legislative bills (backdoor and mandatory):		
Veterans educational benefits.....	+898,400	+1,708,500
Housing and Community Development Act.....	(1)	+553,000
Emergency energy unemployment.....	Rejected	+500,000
Military retired pay—recomputation.....		+288,000
Civil Service survivor annuity modification.....	+202,000	(2)
Public safety officers death gratuity.....	+43,700	(2)
Food stamp and special milk programs.....		+40,000
Hopi and Navajo Tribes relocation.....	+28,800	

¹ Undetermined at this time.
² Action taken last session.

Fiscal year 1975—Budget authority

The impact of congressional action through June 21 on the President's fiscal year 1975 requests for new budget authority, as shown in this report, may be summarized as follows:

	[In millions]		
	House	Senate	Enacted
1975 budget authority requests as revised and amended to date.....	\$324,502	\$324,502	\$324,502
Congressional changes to date (committee action included):			
Appropriation bills:			
Completed action.....	+66	+16	+32
Pending action.....	-527	-4	
Legislative bills:			
Completed action.....	+140	+384	+922
Pending action.....	+2,950	+6,343	
Total changes:			
Completed action.....	+206	+400	+955
Pending action.....	+2,423	+6,339	
Total.....	+2,629	+6,739	+955

	House	Senate	Enacted
Deduct: Portion of congressional action included in May 30 revisions.....	\$+135	\$+135	+\$135
1975 budget authority as adjusted by congressional action to date.....	327,266	331,376	325,592

Completed actions

A summary of major individual actions composing the \$955 million total impact of completed congressional action to date on 1975 budget authority requests follows:

COMPLETED ACTION ON BUDGET AUTHORITY REQUESTS

Congressional changes in 1975 budget authority requests

[In thousands]

Appropriation bills: Special Energy Research and Development.....	+ \$32,361
Legislative bills:	
Urban mass transit operating subsidy.....	+400,000
Child nutrition and school lunch.....	+225,000
Civil Service minimum retirement.....	+172,000
Veterans disability benefits increase.....	+134,800
Postponement of postal rate increases.....	+45,200
Civil Service survivor benefits.....	+4,600
Congressional Record—reduce postage fees.....	-8,486
Military flight pay incentive.....	-16,700
Rejection of salary increases for federal executives.....	-34,000
Total 1975 budget authority impact of congressional action.....	+954,775
Pending actions	
The major pending legislative actions affecting 1975 budget authority which have passed or are pending in one or both Houses of Congress are shown in detail on Table 1, and are summarized below. It should be noted that incomplete action is shown for seven of the fourteen regular 1975 appropriation bills and that some major legislation has not yet reached the reported stage.	

MAJOR PENDING ACTIONS ON BUDGET AUTHORITY REQUESTS

Bills (including committee action)	Congressional changes in 1975 budget authority requests (in thousands)	
	House	Senate
Appropriation bills:		
Public Works.....	+ \$63,159	
Legislative Branch.....	-5,878	-\$4,033
Agriculture, Environmental and Consumer Protection.....	-27,168	
HUD, Space, Science, Veterans.....	-45,954	
Treasury, Postal Service and General Government.....	-69,349	
State, Justice, Commerce, the Judiciary.....	-100,355	
Transportation and related agencies.....	-341,400	
Legislative bills (backdoor and mandatory):		
Federal Home Loan Bank System—temporary increase in standby borrowing authority.....		+2,000,000
Veterans educational benefits.....	+898,400	+1,708,500
Housing and Community Development Act.....	+1,500,000	+1,650,000
Emergency energy unemployment.....	Rejected	+500,000
Civil Service survivor annuity modification.....	+362,000	(1)
Military retired pay—recomputation.....		+288,000
Private pension protection.....	+100,000	+100,000
Public safety officers death gratuity.....	+43,700	(1)
Civil Service early retirement, hazardous occupations.....	(1)	+41,100

Bills (including committee action)	Congressional changes in 1975 budget authority requests (in thousands)	
	House	Senate
Food stamp and special milk programs.....		+\$40,000
Hopi and Navajo Tribes relocation.....	+\$28,800	

¹ Action taken last session.

FUTURE OF GOLD AND INTERNATIONAL MONETARY SYSTEM

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. SYMMS. Mr. Speaker, in this age of American Alice in Wonderland, phony money economics, U.S. Congress style, I offer the following speech given by John Exter at a recent meeting of the Institute of Directors on International Monetary Reconstruction, held in Johannesburg, South Africa on October 2, 1973.

Mr. Exter is a senior fellow at the American Institute for Economic Research.

The speech follows:

FUTURE OF GOLD AND THE INTERNATIONAL MONETARY SYSTEM*

(By John Exter)

Mr. Chairman, Ladies and Gentleman: You have just heard the gospel according to St. Milton.¹ You will now hear it according to St. John. It is going to be a little different, but after all the writer is different.

I am even going to use a text, something written by Firdausi, the Persian national poet, who said about a thousand years ago: "There is a great deal of wisdom in the world, but it is all divided up among men." It has certainly been divided up among the men you have heard here during the last two days. In fact, about the only wisdom on which we all agree is that we are in a serious international monetary crisis. We disagree on the magnitude of the crisis, the measures to resolve it, and the prospects of their success.

Why do we disagree? Occasionally, but only occasionally, it is because we reason differently. More often it is because we start from different basic premises, assumptions, or principles. We have different models in our minds of how the economic system works and what can be done about it. We differ most on the role of government. For instance, what I might think a realistic role for government some of the other speakers might think unrealistic. Similarly, they may think me unrealistic.

I thought it might help you to sort out the speakers in your minds if I told you how I sort them out in mine. Great economists of the past have had very different attitudes toward the role of government in the economy. As far back as 1776 Adam Smith wrote his famous *Wealth of Nations*. He was a great believer in free markets. He wanted to mini-

*This is the major portion of a speech given by John Exter at a meeting of the Institute of Directors on International Monetary Reconstruction, held in Johannesburg, South Africa, on October 2, 1973. Mr. Exter is a Senior Fellow at American Institute for Economic Research.

¹ Dr. Milton Gilbert, Economic Adviser to the Bank for International Settlements, Basel, Switzerland.

mize the role of government. He is at one end of the spectrum.

At the other end I would put Lord Keynes, who wrote his famous *General Theory* in 1936, just as I was being educated as an economist. Keynes and his followers assumed a closed economy, an economy without any transactions with the outside world. A recent manifestation of that assumption is benign neglect of the balance of payments. Keynesians also taught that gold was a barbaric metal. They alleged that it made no sense to dig it out of the ground in South Africa and put it back into the ground at Fort Knox. They also taught that debt did not matter, that in total it never had to be repaid, because we owed it to ourselves. It could go on and on growing. But most important from the point of view of our spectrum, Keynesians advocated strong government interventionism. They thought they could improve on market solutions by intervening in them, particularly through fiscal and monetary policies. No more depressions. In the '60s they even talked of "fine-tuning."

All of us speakers fit into that spectrum at one point or another. I shall start with myself. I am at the Adam Smith end.

But remember that governments the world over have been influenced far more by Keynes than by Adam Smith. In fact, economic life has become a battle between governments trying to control market forces and private people in the markets trying to get around those controls. Many of you each day make decisions based on what you think the government or the central bank will do. Will the central bank tighten or ease money? Will the rand appreciate further? Will the budget be in surplus or in deficit this quarter?

"But governments do not control economic activity as much as you might think. Neither governments nor economists determine what money is, what money people are going to use and hold. That is determined by people themselves in the marketplaces of the world. On this point I differ with Milton Friedman, who should be placed in the spectrum, for his ideas are very influential these days. He has not yet been mentioned at these meetings.

He seems to have a dual personality. The major part of his personality, which I like very much, is way over at the Adam Smith free market end of the spectrum, but the money part of his personality, with which I disagree, is toward the Keynes end of the spectrum, for he is a strong government interventionist in money. But only in domestic money. Internationally he believes all exchange rates should float. His lack of concern for a fixed exchange rate system makes him like Keynes, a closed economy thinker. He has no desire to try to restore fixed exchange rates. . . . He does not even call gold money.

Governments are specially strong motivated to intervene in money. They want to decide themselves what money people within their jurisdictions may use and hold. Governments the world over have tried to monopolize the issuance of money within their jurisdictions by proclaiming national currencies and prohibiting anyone but their Treasuries or central banks from issuing them. But they have grossly overissued. Perhaps we should turn the clock back and let private people issue currencies. This is not so far-fetched. Your own [South African] Reserve Bank is still privately owned, but of course there is a great deal of government influence on it, which sometimes dismays me.

To entrench their monopolies governments customarily pass laws making only their own currencies legal tender for all debts, public and private. They often seek through exchange control to restrict the conversion of their currencies into other currencies. In Kenya, from which some of us have just come, the government, to my surprise, was warning that it was prohibited to destroy Kenyan currency. This makes no sense to me.

If each of you held one of my IOUs I should be delighted to have you tear it up. . . .

My own [U.S.] government has long had a contradictory policy. For many years it was proud that the dollar was convertible into gold at a fixed price, but it would not make it convertible by Americans, only by foreigners. A Greek shipowner could hold gold, but not I. And I still cannot, which I have long resented.

In the good old days of the gold standard, governments began with grand intentions. They recognized as a fact of life that private people, if left to themselves, would prize certain scarce commodities like gold and silver more highly as money than anything else, certainly more highly than paper. They therefore gave themselves monopoly power to issue the coin of the realm, like sovereigns, or napoleons, or eagles, which they knew the public would accept.

But no government in the world has been content to restrict itself to the issuance of coins, although my own government has tried. Our American Constitution gives Congress the power only to coin money and regulate the value thereof, and of foreign coin. At our Constitutional Convention it was proposed that Congress be given power to emit bills of credit, the paper money of that day, but, with the disastrous experience of the continental dollar fresh in mind, the proposal was defeated. We still say, "Not worth a continental."

In issuing paper, governments have had an important fact of life on their side. Paper is more convenient than coin. This convenience has become more important as economic life has become more complicated, and the use of demand deposits stored in computers of modern banks more common. So all governments today issue paper. In gold standard days they accepted the restraint on their own issuance of paper that the undertaking to convert it freely into gold at a fixed price imposed. Convertibility was the ideal and in 1944 was written into the charter of the International Monetary Fund.

In practice, of course, governments have been unable to prevent other things from being used as money, particularly demand deposits in banks, even though they are not legal tender. Central banks have the authority to restrain the creation of demand deposits, but nowhere in the world has any central bank been successful in doing so. Such deposits have grown enormously and their turnover, with the aid of the computer and rapid communications, has grown even more enormously. Nor have central banks been able to prevent the enormous growth of so-called "near money," like Treasury bills and commercial paper.

And they have been particularly helpless in restraining the growth of Eurocurrency deposits, which are deposits in particular national currencies created under foreign jurisdictions.

The explosive growth of paper money and near money has brought us the present monetary mess. You should not forget, however, that it is the gold standard under which most of us have lived most of our lives.

Clearly a world of paper and bookkeeping entry money is an IOU world, a world of promises to pay. Until March 1968, when the two-tier gold system was established, central banks issuing all major currencies were promising all holders "I owe you gold at \$35 an ounce." Under the two-tier system the IOU-gold promise was abrogated for private people, and except for the South African and Russian central banks all central banks refused to sell any gold at any price to private people. The IOU-gold-at-\$35-an-ounce promise was honored only among central banks and governments and even among them it became gradually more tenuous, until on August 15, 1971, when President Nixon closed the gold window, the IOU-gold promise was abrogated even among central banks.

Since then all currencies are saying, "I do not owe anybody anything at a fixed price." Each says in effect, "I owe you nothing in the way of any commodity that, because of its scarcity, is good store-of-value money." All currencies today are IOU-nothings.

So August 15, 1971, when the last pretense to convertibility was abandoned, was a watershed date. Since then it has become impossible to have a fixed-exchange-rate system. We have entered a floating exchange rate world.

Our problem today is that IOU-nothing money is being created at explosive rates. Other speakers have not mentioned this point. We have been talking too much about the international monetary system alone and not enough about the explosive creation of IOU-nothing money through central bank acquisition of domestic as well as foreign, or international, assets. This extraordinary money expansion means that IOU-nothing money is losing its value in world marketplaces in terms of the goods and services it will buy. For the first time in centuries, perhaps in history, inflation is world-wide. People everywhere are wondering what money they can trust as a store of value, the most important function of money. They are fleeing IOU-nothing money and purchasing goods and services, and commodity-money like gold, or sometimes other precious metals like silver and platinum, driving their prices up and up.

Meanwhile IOU-nothing money serves less and less satisfactorily as means-of-payment money, so people, and even monetary authorities, are everywhere groping for an IOU-nothing money that they can confidently accept, use, and hold. Oil producers are an example.

We are witnessing in our generation a world-wide attempt by governments and central banks to substitute paper for specie as John Law attempted in France 250 years ago. His was only a national attempt, and there have been many such since then. This attempt is international, in all currencies, and through the instrumentality of international bodies like the International Monetary Fund and the Group of Twenty, and through a new international paper money called the SDR.

But, as Dr. Ossola² has pointed out, the SDR is not even an IOU. It has no obligor. It is a "who-owes-you?" Moreover, nothing is owed, certainly not gold, so it is a "who-owes-you-nothing?" And it has no maturity date, so is a "who-owes-you-nothing-when?" Surely it is the most preposterous credit instrument ever invented by the mind of man, if indeed we can call it a credit instrument. No wonder it is hard to fix its rate of interest and determine who will pay that interest.

Dr. Ossola asked for a new name for it. I suggest calling it a "who-owes-you-nothing?" A few central bankers may accept and hold who-owes-you-nothings instead of gold, but people in the marketplace won't. Yet Dr. Ossola spoke hopefully of banks accepting demand deposits in them as they do in Eurocurrencies. The next step would be to make them legal tender.

You can imagine the inflationary possibilities of a system of national currencies backed by who-owes-you-nothings. You heard yesterday of the mindless manner in which it was decided to create the first 9½ billion of them. At the appointed time they were created in an instant on an IMF computer.

There must be a gold miner or two in the room. How long would it take you to dig 9½ billion dollars worth of gold from holes in the ground? I thought Milton Gilbert saw through this SDR nonsense a few years ago when he said he would believe in them when his wife asked for a bracelet of them. But

² Dr. Rinaldo Ossola, Deputy Governor of the Bank of Italy.

now that he has accepted SDRs as a supplement to gold I begin to think he may have bought her one.

I want to add to what Milton [Gilbert] said about convertibility. I shall try to define it. Convertibility must mean the obligation and readiness of a monetary authority to convert on demand at a fixed price its own IOU, whether written on a worthless piece of paper or only a bookkeeping entry, into a commodity that has inherent worth because it is both desirable and scarce, a commodity that in and of itself is good store-of-value money. Scarcity and desirability are the keystones of store-of-value money.

So SDRs and national currencies cannot be put on all fours with gold as reserve assets. Every central banker I know would prefer to pay out his dollars and SDRs before he paid out his gold, certainly at the \$42.22 price. Even Dr. Ossola's Bank of Italy dropped out of the "snake" on that issue.

To exchange an I-owe-you-nothing into a who-owes-you-nothing is just exchanging one piece of paper for another, and most likely a less desirable one at that. To call that convertibility is to make a mockery of the word. Convertibility into gold imposes discipline because gold is scarce. Exchange of paper for paper is no discipline at all. I do not have confidence that any international monetary authority would keep SDRs scarce. Much as I like them personally, if Rinaldo Ossola and Robert Triffin were made monetary dictators, I would not trust them to keep SDRs scarce.

The SDR has been called paper gold because of its gold maintenance-of-value clause. It is that clause, as Dr. Ossola explained yesterday, that has caused it, like gold, to be driven out of circulation by Gresham's Law. If its value is to be completely divorced from gold and based on some arbitrarily selected basket of paper currencies, it will no longer be even paper gold but will become paper paper, and even less desirable than paper gold.

The questions yesterday indicated that many of you were troubled by the SDR. You can forget your troubles. The SDR in my view is a horse that will not run. It may have left the starting gate, but it will soon drop out.

This does not mean that we do not have other troubles. We are in an international monetary morass. The confusion and lack of progress at Nairobi³ were evidence that Keynesian and Friedmanite economics are at an impasse. Market forces have taken over and governments and central banks are at a loss to think of further Keynesian or Friedmanite interventions to break it.

"Where do we go from here? It is not a pretty picture. The big problem today is not exchange rates, or the gold price, or SDRs, or controls of capital movements, or trade policy, or convertibility, or even inflation, bad as that is. It is the excessive burden of debt in the system, both within currencies and between them. We have created far too many IOUs.

This means many debtors around the world have gone into debt far beyond their capacity to service and repay out of rising production and rising productivity. Worse still, many have borrowed short and lent or invested long, both within and, what is especially disturbing in a floating exchange world, across currencies.

People ask why governments and central banks do not stop inflation. They do not see that inflation comes to have a life of its own. Debtors cannot increase productivity fast enough to service their debts themselves so they must do so by selling at ever higher prices, or in many cases contract new debts to pay off the old, a massive borrowing from

Peter to pay Paul. In the process the central banks are the ultimate Peters, the lenders of last resort. If ever they do not create enough of their own IOUs to keep the debt expansion going the whole process would grind to a halt, for many debtors in each national currency would find themselves unable to pay their debts and would either have to contract their operations by cutting production and reducing work forces or close down. Such a prospect is regarded as politically and socially intolerable. So central banks the world over have now become locked into an expansionism they dare not stop. They are prisoners of their own expansionism. They must keep inflation going. They and their governments may take measures to restrain it or slow it, but never to stop it. Even trying to slow it is an impossible exercise in economic brinkmanship. They get too close to the edge of economic recession.

In such a world it is idle to think that I-owe-you-nothing money can again be made convertible into gold. I-owe-you-nothings are being created at such a rapid rate in all currencies that it would be impossible for central banks to convert them again into gold at any conceivable fixed price. They would run out of gold. For convertibility to be possible, central banks will have to stop creating their own IOUs by acquiring other IOUs, and this they will not do.

But fixed exchange rates are not possible without the discipline of convertibility, and I mean gold convertibility, for SDR convertibility is meaningless. It imposes no discipline at all. Since convertibility is impossible in world-wide inflation we must reconcile ourselves to floating exchange rates for a long time to come. A floating-exchange-rate depreciation, which means competitive monetary expansionism, which in turn means more world-wide inflation.

Even in such a world people must pay their debts, but as debt grows ever more rapidly the total debt burden becomes ever more onerous, even though it is denominated in IOU-nothings. The hard fact of economic life today is that some sizeable segment of that debt burden cannot be paid, and must ultimately be liquidated before international monetary reconstruction begins. This liquidation must come in one of two ways.

In one, people in the marketplace take over early from the authorities. So far we have had only a Penn Central here and a Rolls Royce there. At some point new failures could snowball and in particular the snowball could hit financial institutions that have become over-extended by borrowing short and lending and investing long; and the authorities could find it impossible to stop the snowball. We could have a massive liquidity squeeze that would break economic activity and put central banks into a position of pushing on a string instead of tightening or loosening the reins. This is the deflationary way, the 1929-'33 way.

In the other way, the authorities might somehow manage to keep the volume of debt growing by continuously expanding their IOU-nothings at a rate sufficient to prevent the snowballing failures. In that case, however, the central banks' IOU-nothings ultimately would become worth nothing, as they say, they are—"not worth a continental"—so all debts denominated in them become worth nothing too. And the authorities must drop zeroes on the old currency or think up a new one and start over again.

Either way will take years to run its course. So, much as I would like to see a return to the gold standard, I think it will be years before we get it back again. We cannot, therefore, expect a new, higher, stable, official fixed price for gold. What we can expect is a breakdown of the two-tier sys-

tem and central bank entry into the free market.

No matter which kind of debt liquidation we get, the price of gold in the free market still has a long way to rise. If central banks are able to keep this world inflation going, it would become runaway in some currencies, and then the price of gold could ultimately go to infinity. If we get the deflationary kind of debt liquidation in some currencies, as I expect in the dollar, at least for a time, we could have a new and considerably higher official price for gold in dollars, but only after the deflation had run its course.

So "In gold we trust," certainly more than in IOU-nothings, and much more than in who-owes-you-nothings. If you must hold IOU-nothings, choose those of the best debtors, for some may pay you nothing. But you can always go for gold. And you in South Africa are lucky. You have so much more than other people, whether in Kruger rand or two miles down a hole.

CITY OF NEW BRUNSWICK AND THE BICENTENNIAL

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. PATTEN. Mr. Speaker, the city of New Brunswick, N.J., located in the 15th Congressional District, is one of many communities in the district which will celebrate the coming bicentennial of the United States. While New Brunswick is planning many activities for the year 1976, it is getting a good start on the Bicentennial observances this year on July 21, in commemoration of the first provincial convention held 200 years previous.

Mayor Aldrage B. Cooper, informs me that in celebration of this historic New Jersey event, there is to be held a reenactment of the convention at the Christ Church, a building as old as that historic day, itself. I submit for the RECORD the following description of the coming event as prepared by Mr. Henry Warner Bowden, chairman of the July 21 ceremony: CELEBRATION OF HISTORIC NEW JERSEY EVENT

The date of 21 July 1774 marks one of the more important events in New Jersey's gradual commitment to intercolonial solidarity against the British government. Delegates from eleven counties met for three days at New Brunswick to discuss economic matters and the question of taxation, to issue a proclamation regarding constitutional rights and the "Intolerable Acts," and to elect New Jersey's representatives for the First Continental Congress. That Provincial Congress was a significant expression of the colony's grass-roots political sympathies. It indicated, more than any action taken by the royal governor, that the people were willing to organize and exert themselves to secure their liberties.

The City of New Brunswick will commemorate this signal event with a ceremony at Christ Episcopal Church, a building then standing and adjacent to the original meeting place. Delegates from all twenty-one counties will be invited to attend a session that will convene on the afternoon of Sunday, 21 July 1974. Descendants of the original delegates will also be invited, if they can be traced and located. After a procession from City Hall to the church, a speaker will deliver a commemorative address to depict the

³ Nairobi, Kenya was the host city for the 1973 annual meeting of the International Monetary Fund.

Provincial Congress accurately within its context and assess its significance. Copies of the proclamation that issued from that original extra-legal structure will again be distributed, together with a brochure to disseminate information about its revolutionary import.

SEATBELTS HANDICAP POLICE

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. HUNT. Mr. Speaker, as a strong proponent of efficient law enforcement, and a strong opponent of mandatory seatbelts, I knew the day had to come when the two would clash. It is a most unfortunate, and dangerous situation that our enforcement officers are faced with, and the following article from the Star-News explains quite well:

FEEL THE PINCH OF THE NEW SEATBELTS
(By Toni House)

As police departments place the 1974 crop of new patrol cars on the road, officers across the country are suffering a similar nightmare. One told it this way:

He is returning to his shiny new car from checking on a bank when down the block a car pulls up and a shot is fired at a passerby. The car speeds away with a screech of rubber. As the victim slumps to the sidewalk, the officer jumps into his scout car to give chase. He turns the ignition key.

Nothing happens.

Remembering the car won't start until he buckles up, he reaches down and tugs at his seatbelt. It jams. He tugs. It won't budge.

The scenario is no Keystone-cop stunt. It already has happened, with variations, from Newark to Santa Barbara.

The unfortunate officers are victims of the federally mandated seatbelt-ignition interlock system required on all 1974 autos. And they are not happy.

Federal regulations require that all autos be manufactured with the interlock system. It is up to state law to declare whether or not it is legal to disconnect or bypass such safety devices.

The National Highway Traffic Safety Administration, the agency responsible for administering auto safety regulations, held a hearing in December to consider exempting police vehicles from the interlock system at the manufacturing level.

Administration Chief Counsel Larry Snyder said yesterday the yea or nay decision is "very close."

In the meantime, Norman Durwick, director of highway safety for the International Association of Chiefs of Police said police departments are buying "a \$3.95 gadget" that bypasses the infernal interlock or modifying the system in other ways.

The problem with the system, as Durwick sees it, is that not only does the jiggling with a seatbelt sometimes cause necessary delay—but with less than "100 percent infallible equipment," the reel containing the belt is apt to jam.

Since the system is "pressure-activated"—it engages when the driver sits down—the driver must either lift himself off the seat or get out and reach in to start the car. Either way he drives away with the seatbelt buzzer screaming.

The IACP, Durwick said, maintains that police departments already have enough safety regulations without the interlock. Departments in the metropolitan area require officers to use seatbelts.

Among local departments, Montgomery County police officials already have investigated how they can win an exemption from a state law that forbids disconnecting the system, although they have made no formal request to the State Motor Vehicles Administration.

Montgomery police also object to the configuration of the all-in-one lap and shoulder harness, which, they said, gets tangled up in their service revolvers, further slowing down their entrances and exists from their cars.

Montgomery was the first jurisdiction in the area to put its new cars on the road. Some departments have not received the 1974 cars they ordered.

In contrast, Capt. Russell Mohler, Arlington police operations chief, said he has heard no complaints from officers using the 21 new mid-sized scout cars the department placed in service recently.

Other jurisdictions are adopting wait-and-see attitude before they decide to join battle with state and federal bureaucracies.

Lt. Col. John Rhoads, Prince Georges police operations chief, said his department had bought new mid-sized cars only for administrators and investigators this year—jobs that involve less haste than patrol.

"I can see the problem," he said, "if an officer can't get his car started, he could be in a world of trouble. It (the interlock system) is just one more thing to go wrong—especially in the pursuit area. I'm glad we didn't buy any new patrol cars this year. By next year it will all be solved."

GILMAN SEEKS ACTION ON VETERANS EDUCATION BENEFITS BILL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. GILMAN. Mr. Speaker, on June 19, 1974, the Senate passed S. 2784, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, a comprehensive measure increasing and extending education benefits for veterans. Prior thereto, the House passed a similar measure, H.R. 12628.

The provisions of the Senate bill (S. 2784) and the House bill (H.R. 12628) are similar in that both measures provide substantial increases in veterans education benefits, as well as a 2-year extension of these benefits. However, considerable differences remain unresolved.

Notably, the Senate bill includes a tuition supplement program to partially defray veteran's education expenses by providing an assistance allowance of up to \$720 annually for eligible veterans attending institutions of higher learning. Additionally, the Senate bill calls for the maximum entitlement of educational benefits for veterans to be extended from 36 to 45 months. The house-passed bill does not have any similar provisions.

Despite these marked differences in the two measures, there is an overriding need for prompt consideration and compromise between the two bills. With the 30-day emergency extension of education benefits due to expire on June 30, 1974, we must make assurances that the education benefits for our veterans continue uninterrupted. While this assurance

could come in the form of another 30-day extension, any prolonged consideration of this overdue measure seriously hampers the ability of our veterans to make substantive decisions regarding their future plans.

Accordingly, I invite my colleagues to join with me in urging the Members of the House and Senate Veterans' Affairs Committees to make exhaustive and expeditious efforts at reaching a viable agreement so that we might provide our veterans with the tuition assistance they so sorely need and deserve.

INDUSTRIALIST OF THE YEAR

HON. CLAIR W. BURGNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BURGNER. Mr. Speaker, Jerome W. Hull, the president of Pacific Telephone, & Telegraph Co., was recently named "Industrialist of the Year" in ceremonies sponsored by the California Museum of Science and Industry. On that occasion, a night that must have been filled with satisfaction and pride for the entire Hull family, Mr. Hull used the opportunity to address the question of the public's perception of American business.

Mr. Speaker, the remarks he made that night were more than the "thank you's" each of the Members of the House have heard at so many banquets. His comments that night are worthy of the attention of each of us who are concerned with the American people's view of the place of business and enterprise in our society.

I urge the Members to read and consider the message in Jerome Hull's remarks.

INDUSTRIALIST OF THE YEAR

I accept your award tonight as an American and a businessman who is proud of his country, of his profession and of his company.

One could say that the record of America and of American business and industry should speak for itself. But, obviously it does not.

All of us here tonight who read the current results of what people think in America know that events such as this which honor industry and science are in danger of extinction.

For it is rapidly becoming clear that businessmen, at least, are without honor in their own country.

In a recent Gallup poll, big business was at the very bottom of the list.

There are those in our society today—apparently a great and growing number—who would not consider receiving the title of "Industrialist of the Year" either desirable or noteworthy.

They look upon leaders in business as greedy profiteers. An industrialist to them represents the ruling class that they think is responsible for the ills of our time and is the cause of their frustrations with modern American society.

All of us who love our land and who admire its vast achievements and those of its industry ask ourselves, "Why the criticism of our way of life and of our system of free American business?"

Look what it has accomplished! We know

of the advances brought about by our system, but we who are the greatest salesmen in the world for our products don't seem to be able to sell ourselves or our way of life to the present generation.

I accept your award tonight humbly and with deepest gratitude for I know the greatness of my country and I know of the accomplishments of its citizen businessmen and women.

I know that one-third of all the students in the world who are pursuing a higher education are American.

I know that more Black people attend colleges and universities in the United States than in all the rest of the world.

I know that American industry produces twice the goods and services of all European industries combined—including both Britain and the common market—and two-and-a-half times more than the Soviet Union.

I know that the American political system provides more protection for individual liberty—including the right of peaceful protest and dissent—than any other system now or ever before.

I know of the courage and dedication and integrity and loyalty and patriotism of American businessmen and women.

And I pledge to you that in receiving this cherished honor tonight I dedicate myself and my company to tell the vital and compelling story of American business to all who will listen, and even to those who won't, for I am proud to be an American and a businessman. And like you, I hope to preserve our system and our way of life.

It isn't enough, however, just to tell the magnificent story of the progress of America and of American business and industry. We must at the same time by our performance demonstrate clearly and unequivocally our commitment to excellence and to integrity in all we do.

What we do must speak more clearly and emphatically than what we say—but we must say it earnestly and sincerely at the same time.

We live in deeds, not years;
In thoughts, not breaths;
In feelings not in figures on a dial.
We should count time by heart throbs.
He most lives who thinks most,
Feels the noblest,
Acts the best.

To all of you for this significant and splendid honor, my admiration, my salutations and my eternal gratitude.

ARAB TERRORISTS

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. YOUNG of Illinois. Mr. Speaker, just 1 month ago I rose on the House floor to condemn the massacre of innocent Israelis by Arab terrorists at Maalot. Today, I must again rise to abhor another outrageous, senseless terrorist act against the Israel people.

Yesterday, in the city of Nahariyya, Arab guerillas murdered an Israel woman, an 8-year-old girl, a 7-year-old boy, and an Israel soldier. The civilized world is sickened by this violence directed against innocent people. I urge world-wide condemnation of the Arab terrorist attack.

During the last 3 months 53 Israelis have died as a result of terrorist attacks and 99 have been wounded. The people

of Israel no longer can feel secure in their homes. The Israel Government feels compelled to retaliate with military attacks in order to protect its citizens. Unfortunately, these reprisal raids only kill and injure more people and intensify the hatred that exists.

The cycle of violence in the Middle East should not escalate to a point that would jeopardize the considerable progress that has been made toward peace in that area. We hope that the Palestinian leaders will recognize that they injure their cause by such merciless terrorist attacks, and we hope that Israel will not respond in kind to the inhumane attacks on their citizens.

CATCHING THE INFLATION RABBIT

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BROWN of Michigan. Mr. Speaker, I recently included in the CONGRESSIONAL RECORD the text of a commencement address on the subject of inflation delivered at Illinois College by Dr. Arthur F. Burns, Chairman of the Federal Reserve Board. In his address Dr. Burns warned the Nation that:

No country that I know of has been able to maintain widespread economic prosperity once inflation got out of hand. And the unhappy consequences are by no means solely of an economic character. If long continued, inflation at anything like the present rate would threaten the very foundations of our society.

Dr. Burns went on to discuss the steps he believed should be taken to regain general price stability and thus strengthen confidence in our Nation's future.

Mr. Speaker, shortly after Dr. Burns' address was delivered, a perceptive commentary on inflation by Dr. Paul W. McCracken appeared in the Wall Street Journal. Dr. McCracken's views were independently supportive of the inflation concerns, causes, and correctives cited by Dr. Burns. Dr. McCracken is Edmund Ezra Day University Professor of Business Administration at the University of Michigan. Both Dr. Burns and Dr. McCracken have served with distinction as Chairman of the Council of Economic Advisers.

In Dr. McCracken's commentary on inflation the point is made that only with price stability does sustainable economic growth become attainable. A program to achieve disinflation—price stability as distinguished from inflation and deflation—requires the implementation of proper governmental policies. Such policies must recognize that no stabilization of the price level can occur without fiscal and monetary restraint. But the price-stability strategy requires more than that. The stabilization program requires a rounded character that reflects the many dimensions of the problem.

One essential element of the strategy is the prescription of a coordinated and coherent program dealing with the prob-

lem with both the problem and the program properly identified for public understanding. Such governmental leadership and public understanding would be good beginnings for the program Dr. McCracken outlines for the attainment of price stability in the United States. Mr. Speaker, at this point in my remarks, I will include Dr. McCracken's knowledgeable commentary on the urgent need for 12-14 percent rates of inflation. By doing so, it is my hope that there will be an increased awareness among my colleagues in Congress of the urgent need for well delineated and effective governmental policies to deal with inflation; and that there will result a public consciousness of what those policies are and why they are necessary.

The information follows:

CATCHING THE INFLATION RABBIT

(By Paul W. McCracken)

"But how do you catch the rabbit?" The question came at the conference on worldwide inflation sponsored jointly by the American Enterprise Institute for Public Policy Research and the Hoover Institution. It was asked by Professor John H. Young of the University of British Columbia and formerly chairman of the Prices and Incomes therapy that does not exist.

With his usual characteristic for getting at the heat of the policy problem, Professor Young asked the key question. The tools of economic analysis are adequate to prescribe a way for cooling the inflation. Tough fiscal and monetary policies pursued long enough would make the price level quiet down.

Would such action, however, produce tensions and strains beyond the boundaries of what the political process could tolerate? Would these strains produce such high rates of interest that some of our intermediating financial institutions, such as savings and loan associations, might experience lethally large outflows of funds? What is a strategy, in short, for working down the rate of inflation that takes into account the realities of the political process. These policies must be implemented through government. Advice to governments that they could not possibly take may be useful for long-run public education, but it is not apt to launch the progress which we need now down from the stratosphere of 12%-14% rate of inflation.

Even the fundamental measures themselves are apt to be more acceptable if the public believes that here is a coherent strategy or program for dealing with this many-sided problem. Otherwise policy either looks ad hoc or wedded to such things as high interest rates and hard budgets, and the inability of the citizenry to see a coordinated program can itself be a source of unease.

What would be some elements of such a program? The first point to make is that while the strategy requires more than fiscal and monetary restraint, such fiscal and monetary restraint is essential. And it does work. It was used in 1956-57 and by mid-1958 a price-level stability emerged on which the expansion of the early 1960s could be built. It was used in 1968-69, and by early 1970 the accelerating inflation crested at about a 7% rate, receding then to the 3½%-4% zone by the first half of 1971.

The orthodoxy of a bygone era, in fact, prescribed a sufficiently severe credit crunch to break the inflation and the inflation-mindedness, with the credit authorities then reversing their policies in order to minimize damage to bona fide business activity. It was the strategy in 1929 (if mention of that ill-fated year is not regarded as such a financial expletive as to require deletion), and it worked. The unfortunate 1931 tightening of

monetary policy not only gave us a leading candidate for the most inept episode of central banking history, with two further and unnecessary years of financial and economic collapse, but it also forever obscured a good job of puncturing the 1929 speculative boom with a subsequent quick reversal to an easier policy.

NECESSARY RESTRAINTS

Any disinflationary program, in fact, must recognize that no stabilization of the price level has ever occurred without fiscal and monetary restraint. Much as we intellectuals recoil at the thought of subscribing to a straight-forward idea, the need for this restraint is an inescapable lesson from history. (We are more comfortable arguing that down is really up, or that the way to halt inflation is really to pursue yet more inflationary policies.)

With the federal budget on a national accounts basis already in the black, our fiscal position is not far off target if we resist the temptation of a tax reduction that would force more Treasury borrowing in credit markets that are already floundering from heavy demands. A more difficult question is whether the Federal Reserve can bring the rate of monetary expansion down to the 5%-6% zone required for progress against inflation without pushing interest rates so high as to risk financial disorder.

A credible stabilization program must also recognize candidly that no inflation can be cooled without some rise in unemployment. Only a knave or a fool would hold otherwise. To counter this inflation the rate of unemployment might well rise one or two percentage points for a period. That is in itself unfortunate, but so is the trauma and social divisiveness of continued inflation. And accepting for a time a labor force 94% or so employed, rather than 95%, puts this trade-off in better perspective. In any case government and economists both had better be blunt and candid about this trade-off rather than to hold out the hope of some painless therapy that does not exist.

If the employment rate must be expected to edge downward by a percentage point or two for a time, an integral part of any rounded program for disinflation must be attention to the maintenance of incomes. It is, of course, a pity that this country cannot jettison its polyglot array of welfare programs, programs that have caused cumulative pauperization of cosmic proportions, in favor of a systematic and generalized income maintenance program. Here again, however, the groups with their vested interest in the management of present programs clearly have enough political clout to prevent such sensible action.

What we do need, therefore, is a further strengthening of the unemployment compensation program in terms of benefits, duration of payments and coverage. Approximately 60% of the unemployed are now covered by unemployment compensation, and a high proportion of those unemployed in any month will be back at work the next month. It is a rapidly changing group. Even so, a strengthening of existing income maintenance programs must be a part of any well-rounded approach to economic stabilization.

A coordinated stabilization program must also recognize that some prices need to be raised. With the explosion of the general price level since the end of 1972, some prices have lagged so seriously as to put in serious jeopardy the financial integrity of these institutions. There is raw material in the electric utility industry, for example, for a series of Penn Centrals during the year or two ahead if their rates are not realigned with the higher prices these companies must pay for the coal and oil that they convert into electricity. While these decisions must be made by state regulatory authorities, it is the federal government that manages the

monetary, economic and environmental policies that have put the state regulatory authorities in a political box and many of these companies on the ropes. It is significant that the government of Japan, in its own stabilization program, grasped this nettle.

Finally, a rounded strategy for disinflation must include actions that would minimize the duration and magnitude of slack in the economy required to get the rate of inflation down to more acceptable levels. While generalized indexation is neither feasible nor desirable, it has a role to play. At this transitional junction it would be better for unions and managements to bargain out the real wage increase, with a cost of living escalator to keep the increase real, than to freeze an assumed high future rate of inflation into wage contracts.

INFLATION ALERTS

While little could realistically be expected from it, a government procedure for periodic reports on wage and price developments, including citation of specific cases that would seem to indicate failure of market competition to discipline price or wage increases, might be useful. This would be along the lines of the inflation alerts of 1970-71, and judging by responses from those cited (e.g., the 40% 1970 taxi fare increase in New York) these alerts in a few selected cases might induce some slight diffidence in pricing decisions. Unlike the old alerts, however, this effort should be at arms length from the President's Executive Office, rather than as four years ago in the Council of Economic Advisers, or the President would quickly be drawn more deeply into direct wage-price action than would be desirable. The great danger is that because scolding businesses is politically popular, the attention given to such an activity would overly emphasize it relative to its inevitably quite limited significance, and "the President's program" would be judged a failure.

More could be done by a concerted effort to deal with monopoly-like situations that make for high prices, and the real opportunities here are arrangements that the government itself fosters. It is government that has arranged matters so that in many cases taxis must operate at 50% efficiency on airport runs (being forced to return empty to the airport or to the city). It is the federal government that promotes wage inflation through such programs as the Davis Bacon Act or excessively rapid escalation of the minimum wage. It is government that applauds the virtues of competition for others but doggedly insists on monopoly in many of its enterprise-like activities.

There can be little doubt, for example, that removal of the Postal Service monopoly on first class mail would result in better postal service for customers and better jobs for those in the business. Unfortunately the great effort at postal reform took the direction of slightly privatizing an organization that retained its monopoly. The disappointing results were inevitable. Whether the Postmaster General remains in the Cabinet or not could be expected to make little difference in service, but giving the customer the right to use alternatives would have made a great deal of difference.

It is, of course, true that logically monopolies explain high prices but not rising prices. Once the monopoly position is exploited, it presumably no longer exerts continuing upward pressure on prices. The process of unwinding some of these monopoly situations, however, could exert some downward pressures when we are trying to stabilize the price level.

Fiscal and monetary restraint, in short, is essential to achieving a new price-level stability. It could even do the job itself. There is a better chance to keep the transi-

tion pains within politically acceptable tolerances, however, if the stabilization program has a more rounded character that reflects the many dimensions of this problem.

PSYCHOSURGERY AND THE LAW

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. TIERNAN. Mr. Speaker, psychosurgery is a subject most of us are familiar with to a limited degree. It involves tampering with elements of the brain in order to suppress violent or antisocial behavior. An estimated 500 to 700 people a year undergo this operation. However, while we are cognizant of its frequency and potentially dangerous ethical and legal connotations, it is an all too unknown fact that only one State—Oregon—regulates psychosurgery by law.

Upon reading the following article I was amazed and incensed that such medical behavior was allowed in any form, let alone given a free reign. And it is for the purpose of enlightening the Members of Congress to the present legal situation regarding this most egregious offense to human dignity, that I respectfully submit the following excerpt from the May 1974 issue of *Psychology Today*:

PSYCHOSURGERY AND THE LAW—THE MOVEMENT TO PULL OUT THE ELECTRODES

(By Carole Wade Offir)

In Ken Kesey's *One Flew Over the Cuckoo's Nest*, a lobotomy puts a permanent halt to Randle Patrick McMurphy's heroic struggle against Big Nurse. In Michael Crichton's *Terminal Man*, Harry Benson learns to stop worrying and love the electrical charge he gets from 40 electrodes implanted in his brain. The characters are fictional, but psychosurgery is not. An estimated 500 to 700 people a year undergo brain surgery aimed at controlling their behavior.

Brain surgery of any kind is a serious matter, not only because of the inherent risks involved, but because damage to the brain is irreversible; brain cells, unlike other cells of the body, do not regenerate. So one might expect experimental psychosurgery to come under strict regulation. Not so. At this writing, only one state (Oregon) regulates psychosurgery by law. In most instances a physician intending to practice psychosurgery, whether for research or clinical purposes, encounters no special legal barriers or requirements. The result has been poor control, flimsy follow-up, and a dearth of public information.

The mildest proposal for regulation centers on stepped-up review by peer groups—the physician's peers, not the patient's. This amounts to self-regulation, and up to now the record of the medical profession in that area has been disappointing. Willard Gaylin, President of the prestigious Hastings Institute of Society, Ethics and the Life Sciences, told a Senate subcommittee on health that professional organizations have functioned essentially as protective guilds: "These groups are servants of the professional, and servants do not dictate to their masters."

A somewhat stronger proposal is for mandatory review by boards comprised of both physicians and laymen. Although this is a reasonable enough suggestion (many hospitals already have such boards), its effectiveness ultimately rests on the conscientiousness of board members, and their willingness

to accept some of the responsibility now vested in individual doctors. That became dramatically clear last year in the first court case to limit the practice of psychosurgery.

The case involved a criminal sexual psychopath, L.S., who had been charged 18 years earlier with first-degree murder and rape, and had been confined ever since in a Michigan mental hospital. L.S. was to be the first psychosurgery patient in a state-funded experimental program at the Lafayette Clinic, a research facility of the Michigan Department of Mental Health. He was already scheduled for electrode implantation, when a legal-services lawyer, Gabe Kaimowitz, learned about the plan and related his concern to the *Detroit Free Press*. There was a rush of publicity, and Kaimowitz decided to bring suit on his own behalf as a taxpayer and on behalf of other taxpayers.

In the midst of all this pressure, the state withdrew its funds and the two physicians who had proposed the project, Ernst Rodin and Jacques Gottlieb, dropped their plans. But since there was nothing to prevent the Lafayette Clinic from reviving its program later on, and because important questions remained to be resolved, the court decided to hear the case anyway.

According to an American Orthopsychiatric Association (AOA) friend-of-the-court brief, testimony at the trial revealed that although the clinic had a committee that met weekly to discuss research activities it never heard the psychosurgery proposal. A standing committee on human and animal experimentation did review it, along with another proposal, but in less than an hour and a half, Elliot Luby, Chairman of that committee, testified that he did not know exactly which parts of the brain were being considered for surgery, and said that in approving the project, the committee relied heavily on information from Rodin.

Two ad hoc committees also passed judgment. One, a selection committee, simply reviewed the patient's records to make sure they met certain broad criteria, without judging the appropriateness of psychosurgery in his particular case. A consent committee, composed of a law professor, a clergyman, and a certified public accountant, verified, on the basis of information from the authors of the proposal, that L.S. had freely given consent; they did not make an independent investigation. In fact, in his letter of approval, the accountant pleaded lack of competence to review the matter. The AOA brief quotes him as saying: "As a layman I am unqualified to comment on any of the many technical aspects which are involved in the project. Therefore we must all trust the good intentions and technical competence of the Hospital Medical Committee, psychologists, psychiatrists, neurologists, etc. who have reviewed and evaluated [L.S.] case."

L.S. gave written consent to the procedures that were to be used on him, but his testimony at the trial indicated that he was influenced by his hopes for release after the operation. (E.G. Yudashkin, Director of the State Department of Mental Health, testified that in any event, L.S. would have been considered for release within six months to a year.) Furthermore, L.S. claimed that at the time he thought he was approving only electrode implantation, not destructive surgery. His parents, who did not talk to any of the doctors before signing the form, were under the same impression.

The plaintiffs argued that an incarcerated person, even more than most patients, is eager to please his doctors. Since L.S. had led a restricted and regimented life for many years, he was understandably flattered by the sudden attention he was receiving. He described his experience for the court:

"We [L.S. and Dr. Yudashkin] discussed this matter. And he let me have my opinions and my discussions about it. And, well, hey, this is neat, because you usually are told—you know—what you are going to do and how you are going to do it and why. And there was very little room for your own real opinions or decisions . . . And I felt very pleased with the fact that I was—you know—that it was left up to me to make the decision about this."

A three-man panel of judges agreed with the plaintiff's argument. Citing the Nuremberg Code, a general guide to medical ethics that grew out of the famous war-crime trials of World War II, they ruled that involuntarily confined patients are unable to give legally adequate consent to an experimental, high-risk operation like psychosurgery. They also referred to the First Amendment, which guarantees the right to free expression, and by implication, free generation, of ideas. An operation that might blunt emotion, deaden memory, and limit intellect would violate that right, the court noted.

Although this ruling does not extend to voluntarily confined patients, Mental Health Law Project lawyer Charles Halpern, who represented the AOA at the trial, believes the case will serve as a caution to other physicians contemplating similar operations. "If I were a neurosurgeon today," he observes, "I would not do psychosurgery."

The clamor over psychosurgery will not end with the case of L.S. Last December, the mother of a much-publicized psychosurgery patient, "Thomas R." filed a two-million-dollar lawsuit against Vernon Mark, the physician who performed an amygdalotomy on Thomas to treat his alleged violent rage. [See "The Pacification of the Brain," page 59.] The suit also names Frank Ervin, the psychiatrist who worked with Mark on the case. The mother claims that adequately informed consent was not obtained, and the results of the operation severely disabled her son. More suits seem likely.

There is also increasing interest in Washington. Last year, Senator J. Glenn Beall of Maryland introduced legislation that would have imposed a two-year moratorium on Federally funded psychosurgery, and required a thorough HEW study of the whole problem. However, opposition arose on the floor of the Senate. Senator Norris Cotton of New Hampshire told his colleagues that a member of his own family had benefited greatly from a lobotomy. Cotton was concerned that desperate patients would lose the chance to undergo similar operations. The supporters of the bill compromised by dropping the provision for a moratorium. The reduced version, calling for a comprehensive study, passed the Senate as an amendment to a Kennedy bill dealing with the general protection of human subjects. At this writing, that bill is in a joint House-Senate conference committee.

Another pending bill, sponsored in the House by Representative Louis Stokes of Ohio, would go much further, prohibiting psychosurgery altogether in Federally connected health-care facilities. The bill is in a House committee, where it may very well die.

Although the prospects for an immediate Federal ban or moratorium on psychosurgery seem dim, Government agencies have grown wary of supporting psychosurgical research. Last year, NIH turned down a large grant requested by Vernon Mark. HEW does not currently fund any psychosurgical experimentation, and the Law Enforcement Assistance Administration cut off all funding of programs that seek to alter behavior through brain surgery. Such actions reflect a growing public concern about the ethical, social and legal implications of behavioral technology.

STATES LOSE ON DEFENSE-RELATED SPENDING

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ASPIN. Mr. Speaker, 28 States pay more for defense than they receive back in defense-related spending according to a new detailed study which I released this Monday.

The study, was prepared by Michigan State political scientist, James Anderson, an associate professor in the Department of Humanities. The study compares the so-called tax burden that individual States pay for defense to the amount of Federal funds returned to the State as defense-related spending.

This study is a startling evidence that the defense burden is shared very unequally by the American people. It should be quite a jolt for the taxpayers of these 28 States to learn that the Pentagon is such a terrible drain on their State's economy.

Of course, national defense spending benefits everybody by providing for national security. The problem is that some regions benefit more than others and the overall level of defense spending is much too high.

The biggest loser is Michigan. That State loses 74.1 cents of every dollar it pays to the Department of Defense in defense taxes.

The biggest winner is the District of Columbia which receives \$5.17 in defense spending for every dollar paid in taxes.

Other big gainers from heavy weapons and defense spending are: Alaska—\$3.41 for every tax dollar; Hawaii—\$2.45 for every tax dollar; New Mexico—\$2.68; and Virginia—\$1.97.

The taxpayers who take the biggest beating as the result of excessive defense spending live in Midwestern States. Illinois loses 73 cents of every dollar, Wisconsin 72 cents, Iowa 66 cents, and Minnesota 60 cents.

It is also surprising to learn that the defense is a significant drain on the economy of most major industrial States. New York, Illinois, Ohio, Pennsylvania, and New Jersey all have net losses. California is the only major industrial State that gains from high Pentagon spending.

Taxpayers in the loser States should know that high Pentagon spending does not create more jobs for their States but destroys jobs by removing more money than is returned.

The study calculates the tax burden of each State based on information compiled by the Tax Foundation and determines a "tax burden" for each State. This is compared to the spending of the Pentagon in that State to determine if that State is a net gainer or loser.

On a per capita basis the biggest loser is Illinois which suffers a net loss of \$335.77 per capita on defense spending. Illinois actually pays \$3.7 billion more in

taxes than it receives back in defense-related spending.

Taxpayers should know that when the Congress and the Pentagon boost the defense budget they are damaging the economy of most States and particularly the large industrial States in the Midwest.

The charts outlined in the study follow:

STATES THAT GAIN FROM PENTAGON SPENDING

State	Net gain (millions)	Per capita gain	Percent gain
1. District of Columbia	\$1,604.8	\$2,145.46	417.0
2. Alaska	324.4	998.15	241.0
3. New Mexico	475.7	446.67	168.0
4. Hawaii	477.8	590.61	145.0
5. Virginia	1,565.6	323.63	97.3
6. Utah	259.1	230.11	84.6
7. Mississippi	342.7	151.43	74.0
8. Wyoming	68.4	198.37	58.1
9. South Carolina	366.7	137.59	54.9
10. Washington	617.8	179.44	44.5
11. Arizona	261.7	134.55	42.7
12. Colorado	342.3	145.23	42.3
13. North Dakota	69.2	109.49	41.9
14. California	2,460.0	120.20	27.8
15. Oklahoma	158.6	60.21	19.8
16. Missouri	318.9	67.09	18.7
17. New Hampshire	46.1	59.80	17.0
18. Alabama	134.3	38.26	15.1
19. Texas	565.5	111.22	14.6
20. Maryland	252.0	62.13	14.3
21. Georgia	204.0	43.22	14.2
22. Nevada	26.1	49.53	10.4
23. Kansas	14.5	6.42	1.8

STATES THAT LOSE FROM PENTAGON SPENDING

State	Net loss (millions)	Per capita loss	Percent loss
1. Kentucky	\$40.9	\$12.40	4.5
2. North Carolina	70.7	13.56	4.8
3. Rhode Island	33.5	34.61	9.1
4. Florida	256.9	35.39	10.2
5. Massachusetts	291.7	50.41	11.5
6. Tennessee	142.9	35.45	12.5
7. Idaho	45.5	60.18	21.5
8. Louisiana	271.3	72.93	26.4
9. Connecticut	539.4	175.02	32.1
10. Arkansas	150.5	76.09	32.9
11. Montana	79.2	110.15	34.7
12. Delaware	95.9	169.74	35.9
13. Pennsylvania	1,755.8	147.22	37.2
14. Nebraska	203.5	133.44	39.3
15. South Dakota	72.9	107.36	40.3
16. New Jersey	1,545.8	209.76	42.5
17. Indiana	834.1	157.64	44.4
18. New York	4,100.8	223.28	47.0
19. Maine	156.7	152.29	51.2
20. Ohio	2,142.9	198.73	54.6
21. Vermont	87.7	189.82	58.8
22. Minnesota	830.0	213.03	60.8
23. Iowa	629.7	218.42	66.3
24. West Virginia	334.2	187.64	66.5
25. Oregon	540.1	247.53	71.7
26. Wisconsin	1,135.1	251.13	72.3
27. Illinois	3,777.7	335.76	73.1
28. Michigan	2,685.8	295.74	74.1

HEARINGS SCHEDULED ON BILL TO ESTABLISH A UNIVERSITY OF THE DISTRICT OF COLUMBIA

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. DELLUMS. Mr. Speaker, the Subcommittee on Education of the Committee on the District of Columbia will conduct hearings to consider H.R. 15643. This is a bill to reorganize public higher education in the District of Columbia,

authorize the consolidation of the existing institutions of public higher education into a single land-grant University of the District of Columbia, establish a Board of Trustees with specific authority and direction to administer the University of the District of Columbia, and for other purposes.

The hearings will begin at 1:30 p.m. on Monday, July 1, and Wednesday, July 3, 1974, in room 1310 of the Longworth House Office Building.

Any persons or groups wishing to testify, should contact Joseph Clair, subcommittee counsel, by the close of business on Friday, June 28, 1974, at 225-2661.

THE CASE AGAINST OSHA EXEMPTION

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, an amendment may be offered tomorrow that would exempt small employers from the Occupational Safety and Health Act of 1970. Let there be no mistake, a vote for exemption is not a vote to assist small business; rather, it is a vote to gut the act.

Perhaps the best testimony yet received in the hearings now underway in the Select Labor Subcommittee was that of our distinguished colleague from Missouri (Mr. HUNGATE). I would like to share parts of his perceptive statement at this point:

STATEMENT OF HON. WILLIAM L. HUNGATE

Mr. Chairman and members of the Select Subcommittee on Labor, I wish to begin by expressing my appreciation to you for affording me the opportunity to appear before you today. As you know, OSHA applies to all employers in the private sector of our economy, and 95% of all those employers are small businessmen, employing 50% of the workers in this Nation. This act has had a significant impact on this segment of our society.

My testimony today is based on some recent hearings on OSHA that were held by my subcommittee on environmental problems affecting small business of the house permanent select committee on small business. These hearings, held in Kansas City, Missouri, and Omaha, Nebraska, on February 8 and 9, 1974, revealed a significant change in attitude on the part of many small businessmen and women toward OSHA. When my subcommittee conducted its original hearings in 1972, the majority of witnesses were openly antagonistic toward OSHA and even toward the concept of OSHA. However, during our recent hearings, the complaints were more specific and some witnesses praised the cooperative attitude of OSHA officials.

Mr. Howard Shulte, the Deputy Assistant Secretary for Occupational Safety and Health, Department of Labor, made a very frank and forthright presentation on behalf of OSHA, and we were particularly impressed by the fact that he was willing to come out to the field and to stay and listen to the testimony on both days. It is this kind of interest and dedication on the part of the administrators which is responsible for the changing attitude in the small business community to-

ward OSHA and which should go far towards correcting administrative errors.

While attitudes are changing, it is clear from the testimony we received that much still needs to be done.

By far, the most universal plea was for consultative inspections. Small businesses simply do not have the financial resources to have a full time safety expert or hire expensive consultants, especially in view of the fact that there is no guarantee that the recommended improvements will satisfy OSHA's criteria. I am convinced that small businesses sincerely want to comply with health and safety standards, but small businesses, almost by definition, have limited resources and can ill afford even a slight miscalculation or a misguided good intention.

We have received complaints that the citations lacked specificity, in that employers were told that the existing wiring was improper or that there was not adequate ventilation, but the employers were not told what would be adequate wiring or proper ventilation. Modifications of this magnitude are expensive and employers striving to conform should be given assistance in their efforts and assurance from OSHA officials that what they intend to do complies with the requirements of the law.

I realize that there are differing opinions as to who should provide consultative services. Mr. Stender has stated that he believes that the Small Business Administration already has the authority to provide it, and, under section 8(b) of the Small Business Act (PL 85-536), it probably does. But it does not have the expertise or the funding to acquire such expertise, and it does not appear that it will receive it. Additionally, what is the sense of duplicating the expertise already existing in another Federal agency.

I am also aware that the AFL-CIO believes that if OSHA is to provide consultative services, it should be done under a separate branch of OSHA, on the grounds that consultative services would strain the already undermanned inspection staff. Understaffing is a serious problem and, therefore, this is a legitimate concern. Nonetheless, the aim of this act is to provide every American with a safe and healthy workplace, and I believe this end can be achieved more readily through cooperation than compulsion. Because of the existing requirement that inspectors must cite every observed violation, many employers do not want OSHA inspectors in their plants. This deterrent to communication retards cooperation which delays the ultimate accomplishment of the congressional intent of this act. This is not to say that the power to fine should be taken away, for there are still those few employers who are irresponsible and uncooperative and have done nothing and, therefore, need the coercive power of a fine as an incentive. But if a businessman voluntarily requests an inspector to come to his place of business so that he may learn what needs to be done because he wants to cooperate, this assistance should be available to him in a non-punitive manner. But unless and until it is available to him in a non-threatening situation, that businessman is going to avoid contact with OSHA officials, and whatever violations which may exist are going to continue unabated until he has a serious accident or is selected to be inspected by OSHA officials.

However, if non-punitive inspectors were available, he would then be far more likely to request them and thereby bring his establishment into compliance faster than what is being achieved under the present method. As swift compliance is the objective of the occupational safety and health act, and as mandatory citations are retarding the attainment of this objective, I strongly urge

a modification of this policy by the establishment of a system of consultative inspections so that the ultimate intent of the act can be more readily achieved.

The National Small Business Association has also taken a leadership role in trying to deal constructively with the problems small businessmen face under OSHA. I would like to share their letter to me on this matter:

NATIONAL SMALL BUSINESS ASSOCIATION,
Washington, D.C., June 24, 1974.
Hon. WILLIAM STEIGER,
Longworth House Office Building,
Washington, D.C.

DEAR MR. STEIGER: We have been apprised of your intention to offer an amendment to the Labor-HEW appropriation bill designed to provide on-site consultation services for business. It is our understanding that the amendment will call for a five million dollar appropriation to be administered by the Department of Labor, which in turn will make grants to the states for the purpose of establishing on-site consultative services.

This approach would certainly seem to answer the needs of the millions of small businesses who are in desperate need of help in their compliance efforts. NSB feels that this will alleviate any need for directly amending the Act to accomplish the same purpose. Furthermore, we understand that by allowing the states to do this, the consultation will not be limited to firms employing 25 or less. There are a great many medium-sized businesses who are in need of this service.

We are informed that amendments may also be introduced to exempt smaller firms from compliance. While on the surface this action would seem to take care of the problem for small business, we found, in effect, that the exemption, as voted during the preceding Congress was so limited and so narrow that only the smallest of the smalls would have benefited. At the same time, any outright exemption would tend to counter the stated purpose of the Act itself, mainly to provide the safest possible work-place. NSB certainly has no desire to take such a position. Our problem, and that of our membership, with the Act has always been in the administration thereof.

Once again to the extent that your proposed amendment will supply the needed consultation services and will further assist small business in coming into compliance, the National Small Business Association wholeheartedly supports your effort.

Sincerely,

MILTON D. STEWART,
Vice President.

I would further like to share an excerpt from the testimony of the Associated General Contractors of America, presented to the Select Labor Subcommittee on June 25, 1974. In it they state:

We have reviewed all of the bills pending before the House. Those which would discriminate in the application of the Act based on size of firm regardless if it be 15, 25, or 250 or less, are objectionable to the AGC. We have continuously maintained that the law should apply to all.

The National Safety Council and the administration have also strongly opposed exemption.

The above statements should clarify beyond any doubt that what small business wants and needs is not exemption but rather assistance.

I therefore strongly urge my colleagues to support on-site consultation and oppose gutting exemption during the House's consideration of the Labor-HEW appropriations bill.

PRESIDENT NIXON AND THE WORLD

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. RHODES. Mr. Speaker, the Cincinnati Enquirer, on June 16, published an editorial outlining President Nixon's foreign policy initiatives and the role of the Secretary of State in our very successful foreign negotiations. This well-documented editorial answers the insinuations of some of the President's critics. It also reveals plainly that we have had a well-planned, sustained, and vigorously pursued plan to deal with world problems, dating back to the President's candidacy in 1968. I recommend to my colleagues that they take time to read this detailed analysis of our overall foreign policy, which puts in perspective the role of the President and his quest for a generation of peace.

The text of the editorial is as follows:

PRESIDENT NIXON AND THE WORLD

President Nixon this week completes what, from all indications, will have been an eminently successful visit to the Middle East and plunges into preparations for yet another exercise in summitry—his second visit, as Chief Executive, to the Soviet Union.

Perhaps it is an inescapable by-product of the Watergate scandal that Mr. Nixon's overseas travels are being widely portrayed as intrusions upon the preserve of Secretary Kissinger. The implication is that Secretary Kissinger has somehow been operating his own foreign policy with scant instruction from Mr. Nixon. The further implication is that Mr. Nixon, sorely beset by a battery of hostile investigations, is now intent upon recouping what he can by staking out a claim to what Secretary Kissinger has managed to achieve—first in re-establishing formal diplomatic contact with China, next in improving relations with the Soviet Union, then in negotiating an end to U.S. involvement in the long and painful Vietnam War and finally in achieving a disengagement agreement between Israel and Egypt and between Israel and Syria, thereby reviving the hope of fruitful negotiations to resolve the Middle Eastern dilemma.

No one can diminish the scope of Secretary Kissinger's achievements. Indeed, the American public's propensity for seeking out a hero has elevated the secretary to the status of a miracle man.

Yet any realistic appraisal of his very notable accomplishments, first as President Nixon's national-security adviser and more recently as secretary of state, makes it abundantly clear that Mr. Kissinger did not negotiate in a vacuum. He would scarcely have accomplished what he has accomplished had he been secretary of state of, say, Argentina, or Nigeria. His achievements have stemmed not only from his skill and persistence, but also—and perhaps more particularly—from the fact that he was able to negotiate from a position of strength. He has been aided, in short, by the widespread recognition among all those who have sat across the negotiating table that he speaks in behalf of a President with extraordinary insights into the basic issues at stake in today's world, a President with both the capacity and the will to utilize American moral, economic and military power to accomplish the United States' legitimate international aspirations.

The fact of the matter is that no American President ever embarked upon his term

of office with more firsthand experience in world affairs than Mr. Nixon. He had visited no fewer than 80 countries as vice president in the Eisenhower administration or as a private citizen. He had talked with political leaders in nations large and small. Most important, he entered the White House with a grand strategy to which his prepressidential utterances afforded unmistakable clues.

The U.S. initiatives with respect to the People's Republic of China came as no more than a mild surprise to those Americans who had studied Mr. Nixon's celebrated article in the October, 1967, issue of Foreign Affairs.

"If our long-range aim is to pull China back into the family of nations," Mr. Nixon, then a private citizen, wrote, "we must avoid the impression that the great powers or the European powers are 'ganging up'; the response should clearly be one of active defense rather than potential offense, and must be untainted with any suspicion of racism."

He spoke of the urgency of persuading the Chinese—as the United States earlier had persuaded the Russians—that lawless conduct would be not only unrewarded, but opposed. "The primary restraint on China's Asian ambitions," he wrote, "should be exercised by the Asian nations in the path of those ambitions, backed by the ultimate power of the United States. This is sound strategically, sound psychologically and sound in terms of the dynamics of Asian development. Only as the nations of non-Communist Asia become so strong—economically, politically and militarily—that they no longer furnish tempting targets for Chinese aggression, will the leaders in Peking be persuaded to turn their energies inward rather than outward. And that will be the time when the dialogue with mainland China can begin."

There is a further clue to what was to become the Nixon administration's basic foreign-policy strategy in a radio address Mr. Nixon delivered on October 19, 1968, less than a month before his election to his first term.

"As we look to the future," he said, "it is clear that the years just ahead must be a time of intensive and sustained negotiations with the Soviet Union. The primary purpose of this is not to secure Soviet friendship, though friendship we seek; the primary purpose is, more modestly and more realistically, to seek out those areas of mutual interest on which accommodation can be reached, while making it abundantly clear that the profit has gone out of aggression."

When the full history of the Vietnam peace negotiations is assembled, we are confident that it will show that the turning point came when Mr. Nixon persuaded both the Russians and the Chinese that they had a positive, demonstrable interest in seeing the bloodletting cease.

There is a clear clue that just such an understanding had come into being when Mr. Nixon, in the spring of 1972, ordered the mining of Haiphong harbor as a means of interdicting the flow of arms to the North Vietnamese—a step Mr. Nixon ordered two weeks before his scheduled visit to Moscow.

Mr. Nixon's critics in the television medium lost no time in predicting the Moscow summit's collapse. "How can they receive him now?" asked the National Broadcasting Co.'s (NBC) Richard Valeriani. "I don't see how he can go," declared the American Broadcasting Co.'s (ABC) Ted Koppel. "Certainly the Moscow summit, from which so much had been expected, is now in jeopardy," intoned the Columbia Broadcasting System's (CBS) Charles Collingwood.

As matters turned out, of course, the Soviet Union made no more than a pro forma protest. The Moscow summit went ahead as scheduled.

Just as Mr. Nixon struggled to convince the Russians that they had a stake in seeing the Vietnam War at an end, so did he set

as a goal persuading them that they had nothing to gain from an uncontrollable confrontation in the Middle East.

That strategy became clear in a speech Mr. Nixon delivered to a B'nai B'rith convention on September 8, 1968, when he declared: "Without belligerence but with complete firmness, we have to make it crystal clear that the stake of the free world in the Middle East is great. We must impress upon the Soviets the full extent of our determination. Then, and only then, will we cause them to re-examine their own policy to avoid a collision course."

And again in the same speech: "We should thwart the temptation for aggression by helping Israel maintain a defense, we should engage in some direct hard negotiations, hard and fair, with the Soviet Union, to remove one underlying cause of the tension."

It is worth noting that the outlines of President Nixon's foreign-policy strategy were drawn at a time when Mr. Kissinger was actively engaged as foreign-policy adviser to New York's Gov. Nelson A. Rockefeller—at a time, in short, when Mr. Kissinger was furthering the presidential aspirations of the New York governor in opposition to Mr. Nixon.

This is not to suggest, we reiterate, that Secretary Kissinger's achievements have been anything less than monumental. But it is to suggest that anyone who recites the history of U.S. foreign policy during the last 5½ years without acknowledging the existence of a carefully formulated master plan that existed before Mr. Nixon's inauguration and Mr. Kissinger's installation as a presidential adviser is guilty of some disingenuous misrepresentation.

The world—friend and potential foe alike—sees the realities of U.S. foreign policy, perhaps, more clearly than many Americans. The world's view, after all, is less obscured by the wave of allegations that has been emanating from the several Watergate investigations for more than a year. Every available index suggests that the world is convinced of the importance of President Nixon's remaining at the helm to see his initiatives through to their ultimate fruition.

What Mr. Nixon has called "a generation of peace" represents for him considerably more than an appealing campaign slogan. It has been a private passion as well. Indeed, the Watergate transcripts reveal that in a conversation with one of his lieutenants on April 14, 1973, Mr. Nixon declared: "It is a little melodramatic, but it is totally true that what happens in this office in these next four years will probably determine whether there is a chance, and it's never been done, that you could have some sort of uneasy peace for the next 25 years."

Mr. Nixon, from all indications, is undiminished in his unstinting dedication to that overriding goal—a goal, the record will continue to show, that outweighs any other in impelling him to the presidency and the leadership of the free world.

CIVIL RIGHTS PROTECTION FOR NEW YORK STATE'S DISABLED

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. RANGEL. Mr. Speaker, there has been a need in New York State for legislation that would protect the civil rights of the more than 2 million disabled persons. On June 12, 1974 Mayor Abraham Beame of New York City urged the Gov-

ernor, Mr. Malcolm Wilson, to sign a bill that would accomplish this end.

Once signed, this bill will be the fourth ingredient to a four-pronged attack on discrimination; the other three being against discrimination because of race, religion, or sex.

I invite the attention of my colleagues to Mayor Beame's statement.

STATEMENT OF MAYOR BEAME

Mayor Abraham D. Beame today urged Governor Malcolm Wilson to sign a bill granting civil rights protections to the State's more than two million disabled citizens.

The Bill, known as S. 4524-B, would amend the State Human Rights Law to prohibit discrimination against handicapped persons in employment, housing, and public accommodations.

The proposed legislation would grant jurisdiction in cases of discrimination to the State Division of Human Rights. The bill passed both houses of the State Legislature with nearly unanimous support earlier this year.

Mayor Beame said, "This bill will provide the same guarantees to handicapped persons that are presently provided under the laws barring discrimination on the basis of race, religion, and sex.

"I have previously written to the Governor urging adoption of this measure as a major step forward in providing full opportunities for employment, access to housing and public accommodations to those who might otherwise be deprived," the Mayor concluded.

"When signed, this bill will grant New York's disabled community the same protections afforded other minorities," according to Eunice Fiorito, Director of the Mayor's Office of the Handicapped. Ms. Fiorito, who is herself handicapped by blindness, noted, "The entire community is united in support of this vitally needed legislation."

THE JUDAS SYNDROME

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BRAY. Mr. Speaker, the following editorial from the June 24, 1974 Indianapolis Star deals with a problem that is getting more and more attention. There seems to be a double standard here. The Star editorial pinpoints it exactly:

THE JUDAS SYNDROME

Traitors have a right to spy on the President and his staff but the President and his staff have no right to use counterspies to find out who the traitors are.

That sums up the moral logic of liberals and leftists who are trying to convert the Watergate controversy into a political bomb that will blow President Richard M. Nixon out of the White House.

The same inverted logic is being used as a weapon in the attack on Secretary of State Henry A. Kissinger for refusing to accept the left-liberal axiom that crucial affairs of state should be discussed and decisions made in the presence of spies.

For spies are what stealthy filchers of top-secret government documents are. Spies are what leakers of confidential diplomatic policy-making discussions are.

In other ages in other countries individuals caught at such betrayals have been summarily found guilty of high treason by the heads of state and executed immediately.

Historically, the fate of traitors has been decisive and quick.

It is only in the atmosphere of modern American liberalism, with its well-known affinity for leftist causes and its powerful aversion to non-leftist leaders and citizens, that men who eagerly play the role of Judas have been held in high esteem.

The double standard of morality which the liberal-left applies to President Nixon and to present and former members of his staff, on one hand, and to the assortment of spies and traitors servile to his bitterest enemies on the other, is well known. A fitting name for it would be "the Judas syndrome."

It should not be forgotten that had it not been for the many stealthy acts of betrayal committed by these adherents to leftist causes—which were overwhelmingly denounced by the majority of American voters in the 1972 presidential election—there would have been no "Plumbers" trying to ferret them out, there would have been no surveillance or wiretaps and there would have been no Watergate.

NO-FAULT AUTO INSURANCE

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. FROEHLICH. Mr. Speaker, the Senate recently passed and sent to the House of Representatives S. 354, the National No-Fault Motor Vehicle Act. This is a national standards bill that would set requirements which State policy must meet in the field of auto insurance.

However, this proposal goes far beyond merely setting standards. If a State legislature does not enact a no-fault plan in its first legislative session, the State insurance commissioner is required, under title III of the bill, to implement a no-fault system which meets the Federal standards set forth in title II.

This piece of legislation raises serious constitutional questions about State autonomy and the role of the National Government in our Federal system. This bill is an intrusion into State control of policy programs and also an invasion by the Congress into State administrative structures.

In a recent editorial in the American Bar Association Journal, the constitutionality of S. 354 and its ramifications upon the modernization of the reparation system are discussed by a number of eminent legal scholars. I would like to share this article with my colleagues, for I believe the arguments expressed therein will be of value in our consideration of H.R. 10 which is a similar bill to S. 354 and which is now pending before the Interstate and Foreign Commerce Committee.

The editorial follows:

NO FAULT AND FEDERALISM

The Senate passed S. 354, the National No-Fault Motor Vehicle Insurance Act, on May 1 by a vote of 53 to 42 and sent it on to the House of Representatives. As the Senate commenced debate and consideration of S. 354, the issues of the effect of that act on our concept of federalism and its possible constitutional infirmities came to the fore.

These questions are apart from the wisdom, workability, or desirability of no-fault

automobile insurance. The necessity of making revisions in the traditional tort system of reparations for automobile accident losses seems to have been accepted, if one judges from the activity in the states, but the method of the imposition of no fault on the states by S. 354 had not been focused on clearly before.

S. 354 is a so-called national standards bill, the standards being set forth in Title II of the act. If a state, however, does not establish some sort of no-fault plan during its first legislative session following enactment of S. 354, Title III of the bill, which is an alternative state no-fault plan, "becomes applicable and goes into effect" in the state without any legislative action on the part of the state itself unless within four years the state meets these standards by its own legislation. Title III sets up a no-fault system in which the state insurance commissioner, again without the benefit of state action, is required to perform certain functions.

The first full-blown analysis of the constitutional aspects of his sort of "federalism" appears to have been prepared in 1973 by Mitchell Wendell, who served for several years as counsel to the Council of State Governments and wrote the statement as counsel for the American Mutual Insurance Alliance. Mr. Wendell pointed out that S. 354 undertakes to pre-empt any provision of any state law that would prevent the establishment or administration in a state of a no-fault plan in accordance with Titles II or III. Thus, he continued, S. 354 would pre-empt state laws but leave a void because the bill proceeds on the erroneous assumption that Congress can enact legislation for states. "The only purpose that can be served by pre-emption," he declared, "is to prevent the states from interfering with federal activities prosecuted pursuant to acts of Congress. . . . Neither the basic premises of our federal system nor any provision of the United States Constitution gives Congress the ability to act as a source of legislative or administrative power for state governments. . . . The supremacy clause is a restriction on state power, not an expansion of it."

In late January former solicitor general and Harvard Law School dean Erwin N. Griswold, representing State Farm Mutual Automobile Insurance Company, came forward to discount the possibility of there being any serious constitutional questions. Even making a statement about them, he observed, "may make it seem that the constitutional problems are more serious than I think they really are." He added that he expected states to "move ahead" under S. 354 so that the constitutional issues "will simply disappear." Given the constitutional power to act in this field, Dean Griswold maintained, Congress can exercise that power through the medium of a national standards system, which states would be bound to enforce under the supremacy clause even in the absence of state legislative or administrative action.

He pointed to the Clean Air Act of 1970 as a "striking example" of the congressional conferral of powers and duties on state agencies and officials. In any event, he concluded, Congress has the power to "require action by state legislators and state officers, and this may be enforced by appropriate proceedings in the courts."

In a rejoinder to the Griswold statement, Mr. Wendell pointed out that the example of the Clean Air Act was not apposite, as it provides that if a state fails to comply with national standards, the Environmental Protection Agency administers the system of program directly, whereas under the scheme of S. 354, the state that has not met the national no-fault standards is expected to administer the federally prescribed no-fault system. Mr. Wendell also disclaimed arguing that a national system of no-fault insurance could

not be established directly by congressional legislation. In fact, one no-fault proposal in the House of Representatives is a direct bill.

Another expert in the fray is Norman Dorsen, professor of law at New York University School of Law, who testified before the Senate Judiciary Committee at the request of the Association of Trial Lawyers of America. In his statement he said that there is a "substantial question, rooted in the nature of the American federal system as manifested in the Tenth Amendment, about the constitutionality" of S. 354. "The question is difficult," he added, "but I believe there are strong grounds for questioning the bill's constitutionality." Professor Dorsen went on to state that there are other avenues if Congress determines that a national approach to no fault is desirable. "There is the alternative of the truly national law," he observed. "There is the alternative of a law that authorizes [his emphasis] state laws and recommends standards for all to follow if they wish; and there is the interstate compact, authorized in Article I, Section 10, of the Constitution to achieve uniformity through the agreement of consenting states." But, he concluded, the "state-by-state approach has the collateral benefit of stimulating debate and education, and therefore an informed choice by the citizenry, in a way that discussion at the federal level often cannot."

Philip B. Kurland, a professor of law at the University of Chicago, has characterized the system employed by S. 354 as "a clear invasion of the local legislative power which has no precedent of which I am aware. . . . If there is anything at all left of the constitutional concepts of federalism, this bill surely violates them."

At the request of the Senate Judiciary Committee, the Office of Legal Counsel of the Justice Department examined S. 354 and concluded that it "raises constitutional issues that strike at the traditional balance of our federal system." Robert G. Dixon, Jr., the assistant attorney general in charge of O.L.C., pointed out that Congress can enact a no-fault system that would encourage states to adopt conforming legislation through either grants-in-aid conditioned on satisfactory state action or through the alternative threat of direct federal intervention and regulation in the absence of satisfactory state action.

But none of these approaches is embodied in S. 354, he said, and he added: "So far as we have been able to determine, the use of federal power in the manner envisaged by S. 354 and the concomitant intrusion into state control and its administrative structure and personnel is unprecedented."

By a narrow vote the Senate Judiciary Committee dismissed the constitutional arguments and reported the bill favorably, stating that "the limited extent to which S. 354 compels states to take affirmative action in the administration of the national no-fault standards is well within constitutional boundaries." The majority report noted its agreement with Dean Griswold's opinion and even repeated his example of the Clean Air Act.

The state-by-state approach to reform of the automobile accident reparations system is supported by the American Bar Association. Before the Senate Judiciary Committee in February, Chesterfield Smith, president of the Association, declared that it is "committed to a comprehensive program for modernization" of the reparations system—a program grounded on what he called two "fundamental beliefs":

"(1) That we should lightly abandon or seriously impair basic legal rights grounded in the great common law doctrine which holds us responsible for harm we may do to our fellow man.

"(2) That the problems in the present system vary widely from state to state and can

be corrected most effectively and fairly by action of the states."

As the Senate debate began, Mr. Smith called attention to the fact that twenty states have enacted some sort of automobile reparations reform legislation, and he mentioned his reservations about constitutionality—"I am concerned with the ability of Congress to mandate the administration by states of a federally imposed statute." A twenty-first state—Kentucky—now has passed a reparations reform law.

The wisdom of eschewing a nationally imposed approach in favor of state action has become more apparent as the state reform movement has gained force and variety. The data these state programs will yield will be broad and useful; some states have employed an "add-on" system of extended first-party coverages, with provisions against duplicate recoveries, while others have enacted a variety of plans, some with severe restrictions on the operation of the tort system. Through this diversity the states are experimenting to determine the preferable solution for each state as determined by its own legislature. From this experimentation there is likely to come ultimately a sounder system than the one that would be imposed by S. 354.

THE RANGER PROGRAM

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BROTZMAN. Mr. Speaker, I rise to call attention to a serious problem brought into being by the recently enacted minimum wage legislation.

For a number of years, the city of Boulder, Colo., has been operating a program for teenagers known as the Ranger program. Youngsters over 14 have been selected to help keep the city's mountain park-greenbelts system clean and attractive by removing trash, planting trees, moving endless rocks, and, in general, caring for the city's lovely mountain parks while receiving instruction in conservation and ecology. In return, the city has paid the Rangers 75 cents per hour and provided them with cookouts, camping weekends, and teen dances. The program has been highly successful, with the city able to maintain its parks well while providing a positive first-job experience and an outlet for youthful energies for a number of Boulder young people, usually between 100 and 150 youngsters, in fact.

With the passage of the new minimum wage provisions, the city of Boulder finds that it cannot maintain the program at its former levels, and may have to curtail the program sharply or end it altogether. I believe that would be most unfortunate for the city and its young people.

On June 10, 1974, I wrote to the Secretary of Labor and asked if it would be possible for the Ranger program to qualify under one of the exemptions contained in the minimum wage law. Although I have yet to receive a full written response, I have been orally advised that no such exemption will be forthcoming. I had thought it might be possible for the program to be exempted as training. However, I have been told that these ex-

emptions only cover apprenticeships, on-the-job training programs, and programs to further train those who are already working and who can expect to be returned to full-time positions once their training is completed. None of the other exemptions apply either since the youngsters are not full-time students employed by their schools; since they are not engaged in agricultural work; and since they are not engaged in seasonal work of a recreational nature.

It would be a travesty for the Ranger program to be discontinued. What better training ground for youngsters could be imagined? Here we have young people earning needed money for their schooling, learning the value of a dollar, learning the discipline of hard work, being outdoors and learning the wonders of nature, and being a part of a program which gives their summers meaning and direction.

Since there is apparently no administrative relief available for the young people of the city of Boulder, Mr. Speaker, I call on the Education and Labor Committee to do what it can to report changes in the law which will allow such programs to become operational this summer. We are already into the summer vacation period. For many in Boulder, and I suspect throughout the Nation, it will not be the summer it could have been. Let us act now, with a sense of urgency, to correct the deficiencies in the new law and salvage what we can in the way of summer opportunities for our young people.

SOMETHING WRONG WITH THE SYSTEM?

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. WYMAN. Mr. Speaker, today's Washington Post reports the voluntary destruction of tens of thousands of fertilized turkey eggs, 10,000 day old birds, poults, and thousands of breeding hens by growers to lower the supply of turkey in months ahead. Why? In order to raise the price of turkey per pound to the consumer.

The growers' argument is that the cost of raising a turkey from egg to full grown bird because of the cost of feed, is more than the present price per pound will return on the carcass. With millions of pounds of turkey in cold storage across the country, growers do not believe the prospective price will bring a profit.

Most Members of Congress endorse the profit motive in the free enterprise system. But where, as here, there is involved a massive destruction of substantial meat supplies in order to gain a price, there must be some way short of subsidy to avoid such an enormous food loss. Especially is this so when many people are hungry both within and without America.

There is something clearly wrong with a system that sanctions destruction of

needed food supplies in this manner. There must be a way to avoid this type of gross waste of future meat supplies.

I believe it is an obligation of all who champion free enterprise to come up with some constructive answers directed toward ending this kind of thing.

SAWHILL: EXPANDED MASS TRANSIT TO SAVE OUR CITIES

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BINGHAM. Mr. Speaker, among this country's greatest assets and greatest needs are our mass transit systems. Unfortunately Federal policy has emphasized the building of highways by infusing millions of dollars into highway construction rather than developing our mass transit services.

Since 1965, I have proposed that we reorder our transportation priorities. My efforts have focused upon the opening up of the highway trust fund for mass transit use at local option. The Federal-Aid Highway Act of 1973 now provides for regional planning boards which evaluate the need for new highway construction, and establishes a procedure which allows for the diversion of highway funds for mass transit use when warranted. In New York this recently resulted in the transfer of some \$33 million previously designated for highway construction for mass transit improvements. Reevaluation of highway needs as seen in New York can lead to the expansion of mass transit systems across the Nation, a giant step in controlling our wasteful energy consuming habits.

In a June 14 speech before the Greater Philadelphia Chamber of Commerce, John Sawhill, Federal Energy Administrator, voiced his support for expanded public transit in order to save energy and revive our cities. He considered the opening up of the highway trust fund for public transit use as a healthy first step toward a single transportation fund which would give cities the opportunity to spend moneys earmarked for transportation for highways or mass transit at their own discretion. I commend this speech to my colleagues as a thoughtful and accurate assessment of where our transportation priorities ought to lie:

ENERGY AND THE FUTURE OF CITIES

(Remarks by the Honorable John C. Sawhill)

Thanks for the invitation to come here and speak with you today. It's a pleasure to break from the daily routine of Washington to discuss subjects that concern us all, but often don't make the headlines.

Today, I'd like to talk about a concern I've had for a long time, but haven't really articulated up to this point.

That involves the future of American cities in light of today's energy problems.

The plain fact is that the energy problem will have a profound effect on American cities, and we're just now beginning to realize that. The current reshaping of our energy base will compel a great number of changes in urban living—affecting the character of

our transportation, where we work and live, and the function of the city in our society, to name a few.

During the Arab oil embargo, we saw the trains on urban life caused by energy shortages—the long gas station lines, uncertainty about heating oil, and stiff price increases have been the most obvious. I suppose that many people viewed it as simply one more burden of city life—and one more reason to move away at the first opportunity.

Indeed, energy shortages have caused many urban problems that need to be solved—but in the solutions are some of the greatest opportunities for improving our cities that we may ever have.

As you know, we've embarked on an ambitious program to achieve energy self-sufficiency by the 1980's. But it's a serious mistake to assume that we can simply speed up development of domestic energy resources and keep consuming energy in the same old way.

Yes, we intend to accelerate surface mining in Montana, drilling for oil on the Atlantic OCS, and other resource development projects, but many of these involve high economic costs and environmental risks that we must minimize.

And that means disciplining growth and tightening our belts—taking every opportunity to use energy more intelligently. We must match production increases with a nationwide energy conservation program—and it's here that the cities can benefit.

With energy conservation as an imperative for public policy, urban leaders have a new incentive to make needed changes. The growing satellite suburbs and shopping areas around our core cities seem even less viable. The ribbons of concrete expressways—that once generated civic pride—now seem more like liabilities. Glass-walled office towers now seem less aesthetic than energy-wasting.

And many imaginative urban designs and ideas that once seemed visionary, now have a compelling logic—where they save energy and make economic sense. In the planning and strategies involved in our national goal to reduce energy demand, lies a great potential to revitalize our core cities.

Probably the greatest potential for urban change will come in transportation. Our national energy program—Project Independence—has targeted this sector for major improvements in efficiency. Transportation accounts for one quarter of all energy consumed in the United States. And because it relies almost exclusively on oil, transportation accounts for over half our total oil consumption. If we're to reduce oil imports significantly, we obviously will have to make major improvements—and they center on the automobile.

We need not only to make automobiles more efficient, but also to reduce our reliance on them by improving transportation alternatives—especially in our large cities.

Transportation systems have historically been the prime determinants of the design of cities. Before the Industrial Revolution, and the advent of motorized transportation, cities were compact. But as succeeding generations of rail and wheeled transportation came into use, cities spread out until today, when they are truly regional bodies that transcend local and even state political boundaries.

Now we have the opportunity to reverse that development, to pull the city back together with public transit systems that are true alternatives to the private automobile—not just for those too poor to afford anything else. We can use this opportunity to build transportation systems that move people and goods, and not just wheeled vehicles, within our cities.

One study I've seen shows that over one-fourth of all heads of household drive their cars on a 15-mile or greater round trip to work every day. When you consider that the

trip is made—alone—in a 3,500-pound vehicle getting 13 miles per gallon, that form of mobility just doesn't make much sense. As this becomes more obvious, I think that people may react by moving back into core cities. There are several cities, including Washington, where this seems to have begun, especially by young workers.

Building or upgrading subways in our largest cities, reviving tracked trolley systems, making bus routes speedier and more flexible, and curbing unneeded expressway construction are a few of the transportation options that not only save energy, but can help revitalize core cities.

Of course, we have to sell these services to the public. We'll need price incentives and intelligent advertising and promotion. And we'll have to ensure that the transit systems are efficient, on time, mechanically reliable, comfortable, and convenient. Existing systems that are in disrepair and uncomfortable are actually hurting the cause of public transit.

To make this all possible, however, we must change our implicit accounting system that is biased in favor of the automobile. We need to begin a full-cost accounting of automobile transportation. In our public accounts, only the costs of streets and highways appear, while the cost of vehicles and fuel is rationalized as consumer items, and not transportation. The high environmental and energy costs are not even considered.

Compared to a billion-dollar public transit system, for example, a billion-dollar expressway seems like an even proposition, except that its hidden costs are much higher and, considering its effect on core cities, much more damaging.

In strict energy terms, urban public transit is much more desirable. Buses and rail cars consume only a fraction of the energy that a private automobile does. And these systems can be electrified, which further reduces the demand on oil supplies.

I think that Congress had these full costs in mind when last year, for the first time it opened up the highway trust fund for urban public transit capital outlays. I consider that a major step toward reducing the near-monopoly that highway construction held on transportation funding.

The Administration intends to carry this a step further with legislation that creates a single urban transportation fund, for operating expenses as well as capital outlays. Combined with existing programs, this is a major opportunity for cities to loosen the dominance of automobile transportation.

I'm looking for state and local governments to take advantage of these increased funds to upgrade present public transit systems and build new ones. I'm also looking for local governments to shoulder much of the burden themselves.

One of the most constructive ideas I've seen is local government subsidies for lower transit fares as a way to increase ridership. The response in the past to declining ridership was to raise fares, and cause further declines. Finally, we seem to have realized that transit systems don't have to show a dollar profit to be worthwhile.

Seattle has been most successful with this. By sharply lowering bus fares—and charging no fare in the central business district—it has increased ridership by 70 percent over last year. Other cities, such as Atlanta and Madison, Wisconsin, have followed suit.

Another boost for bus ridership has been the relatively easy step of designating bus-only lanes on expressways or building new lanes on existing rights-of-way. Five years after exclusive busways were built into Washington from northern Virginia, bus ridership on that route increased almost ten-fold. A similar busway through New York's Lincoln Tunnel saves 15 to 20 minutes of commuting time for some 40,000 riders.

The Arab oil embargo provided just the right boost for these improvements in urban transportation. Significantly, ridership in public transit increased in 1973—for the first time since World War II.

But transportation is not the only part of urban living that will be changed by our energy problem. And if I've spent too much time discussing this, it's only because transportation is so central to urban development and so crucial a sector of energy consumption.

Land-use planning by state and local governments is another change that will become much more important as energy efficiency becomes a goal of urban leaders.

In the past, urban development was haphazard and based on the assumption that we had all the cheap energy we desired. We designed cities by default, and you can see the results all around you.

Urban and land-use planning gives us the chance to reduce wasted time in traffic, to make open spaces accessible, to provide housing and commercial complexes that complement the center city, not drain it, and to preserve neighborhoods. And in doing this, we will not only save energy, we can bring a rich social mix back to our cities and strengthen their role as cultural centers.

Improved planning can also help us begin to cluster utilities services that use total energy and integrated utility systems for housing and commercial complexes.

One such total energy project is underway by the U.S. Department of Housing and Urban Development. It has funded a Jersey City housing complex that generates its own electricity, but uses the machinery heat to provide residential hot water and space heating and cooling. This approximately doubles the efficiency of conventional generators.

Probably the best large-scale example of a total energy system is in Vasteras, Sweden, which connects 98 percent of its population of 120,000 to a central heating network. A central plant that generates the city's electricity uses the waste heat to supply the heating network. On its return to the plant, the heated water passes under downtown streets, keeping them free from ice and snow in the winter.

HUD is also experimenting with integrated utility systems that package into one plant electrical generation, space heating and air-conditioning, waste treatment, and water purification.

Naturally, systems like this can't be established overnight, but effective planning begun today can develop urban designs that have this potential for future generations. Planning can also be used to establish new satellite communities that help, and not aggravate, the problems of the core cities.

Our great concern about home heating and air-conditioning can have another healthy effect on cities by encouraging and financing the improved insulation of substandard homes. During the winter shortages, emergency programs were established—notably by the FEO and the Office of Economic Opportunity—to improve home insulation and cut down fuel bills.

HUD this year required builders to meet stiffer insulation standards for new construction, and has encouraged lending institutions to grant home improvements loans that improve insulation. The Michigan Consolidated Gas Company has come up with an outstanding private counterpart. It finances improved insulation for its customers, and provides for repayment in installments through its monthly bills. I've called upon other utilities to try out this program.

Another very important effect of the energy problem will be in spurring research and development of a broad range of technologies to solve troublesome problems.

For example, we might be able to solve solid waste disposal problems with facilities

that burn waste to generate electricity. Small-scale plants have already been in operation in some cities, but the increased price of fuel promises to accelerate research and development of this proposal on a wider scale.

Perhaps the most exciting potential is in two possible by-products of urban strategies that conserve energy.

The first could be less pollution in and around our cities. As we drive automobiles less in cities, burn less fuel in factories, and use less electricity in homes and offices, we're not only conserving energy, we're causing less pollution. I think we can all afford to be excited about the prospect for clean air and water that energy conservation holds. We may even find that the Arab oil embargo has done as much for urban environmental quality as all the environmental legislation of recent years.

The second by-product could be in the increased investment in capital available for urban improvements. An all-out energy development program would aggravate tight-money problems for cities as energy companies take an increasing share of available capital.

Costs for such a program would be in the hundreds of billions of dollars—perhaps as much as \$800 or \$900 billion by 1985. This staggering amount would put energy companies in fierce competition with cities for money—and the cities would likely lose. We can avoid a capital crunch for cities, however, if we can reduce energy demand enough, and, consequently, the demand for energy development capital. Cities that curb energy demand would, in effect, increase their chances of redevelopment funds.

Cities can take direct action to reduce demand, of course. They can curb excessive store and office lighting, regulate outdoor advertising lighting, and improve building codes. Cities that own their own electrical systems could build conservation incentives into their rate structures by flattening them. Within their own operations, city governments can adopt energy management programs.

So far, I've been talking about cities in general. I'd like to add to that some impressions I have of Philadelphia and the Delaware Valley and the potential role of this organization.

First, the regional approach of this Chamber of Commerce has served you well. I know of few cities in this country that combine this regional approach with the private business community so closely. Much of the recent progress in redeveloping the center of Philadelphia came from your leadership.

Most of all, I'd like to call on you to continue that leadership in making Philadelphia a better place to live.

Especially in the area of urban public transit, your organization could be a major force for improvements. Philadelphia has always been a very transit-oriented city. It has one of the few subway systems in the country, and the Lindenwald High-Speed Line is a model rapid transit project. I might add that our Office of Energy Conservation launched a study of the Lindenwald line's fuel conservation impact.

But, at the same time, there are many improvements that remain before the city can coax motorists away from cars and reduce traffic. Air-conditioning equipment needs to be installed in the rail systems, where many of the cars are pre-World War II vintage, and major improvement programs have been slow in coming.

I'd like to call on you to take an active role in local government efforts to improve this region's transportation. It's going to take a lot of strong leadership and local initiative to solve this nation's energy problems, and your organization could set an example for others to follow.

Our energy tasks are many and difficult. They won't be accomplished overnight, and it will be an accomplishment just to begin the momentum for change.

For the cities, the stake is much bigger than whether or not people drive or ride to work. It's much more basic. It's whether or not the cities can reverse decades of neglect and deterioration to re-establish their rich role of meeting human needs.

Granted that the energy problem has complicated progress toward redeveloped cities, better housing, full employment, and a clean environment. But at the same time, it has presented us with the opportunity for regeneration. We can reconcile the problem of energy scarcity with the need for social justice and economic progress.

And this administration has set out to prove this. We'll need your help, however. We learned long ago that it takes more than laws and rhetoric from Washington to solve this nation's problems.

It takes the best efforts of the business community and the public to move this nation toward progress. And as we face the tasks ahead, I feel confident that we can count on people and organizations such as yourselves to help develop an energy base for this nation that provides for future generations.

Thank you.

HIGH SCHOOL RADIO STATION

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. SYMINGTON. Mr. Speaker, I am proud to have within my district the first high school radio station in the State of Missouri and 1 of less than 70 in the Nation. KHRU-FM at Clayton High School began broadcasting on May 28, 1968. The station was started by several students under the direction of the late Mr. Lou Deall, nationally known physics teacher. In its 6 years of broadcasting, KHRU-FM has become known as the Clayton Community Radio. This recognition is particularly rewarding because the station is run 100 percent by students at Clayton High School. Students serve in every broadcasting capacity, from station manager to FCC licensed engineer. Hundreds of hours of work have been performed by these students in a successful effort to keep the Clayton community informed and up-to-date on events and issues affecting them. I have been privileged to appear on KHRU-FM on two occasions, and various other community and State officials have been among the guests on the station's call-in talk shows. School events, ranging from elementary school plays to the high school plays to the high school mock political convention, have been broadcast.

Because it performs such a vital function in informing the Clayton Community, I believe that KHRU-FM is one of the most worthwhile high school activities in the Nation. It is my hope that the coming years will bring even greater success to the station and the students who devote so much time and effort to broadcasting.

CXX—1347—Part 16

COLD TURKEY

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. PRITCHARD. Mr. Speaker, Dennis Dunn, the Republican county chairman for King County, Wash., recently gave an address that detailed many of the current causes of inflation. When double-digit inflation is threatening the financial security of millions of Americans, this address is especially timely.

I commend this address to the attention of my fellow Members:

COLD TURKEY

(By Dennis Dunn)

"The greatest problems our country will face in the decade of the seventies will be those of inflation and depression. It is conceivable that depression can be avoided for another 5 or 10 years, but it will only be avoided by pursuing governmental policies which will necessarily produce raging inflation. And should raging inflation ever become runaway inflation, depression far different . . . and far worse than the great depression of the thirties . . . will paralyze America."

To make that statement in mid-1974 is perhaps about as profound as saying the Huskies had a bad year in 1973. But that statement was made more than 3 years ago in a series of essays I wrote and sent out to the Republican Precinct Committeemen of King County on the subject of inflation and the U.S. economy.

In April of 1971, my predictions on the course of our economy appeared to be somewhat pessimistic . . . perhaps too ominous and too threatening. How I wish I had been wrong! As I re-read those essays today, I see that events are already bearing out those predictions. We are no longer at the threshold of raging inflation . . . we are completely inside the door. You don't need an economist or anyone else to remind you that your savings are evaporating and your dollar is buying less and less each day. All you need is a grocery receipt. I am not here to tell you what you surely already know.

Nor am I here to wrap a shroud around the American economy and extend an invitation for you to join in the wake.

We are not dead yet. But, we are living in difficult times, with even more difficulties lying ahead.

I am here to offer my suggestions as to how we can overcome those difficulties, and I submit that the obvious first step to solving any problem is to understand the problem. With understanding, the medicine for the cure won't go down any easier, but at least one becomes more willing to swallow it.

"Inflation," you may have heard it said, "wouldn't be so bad if prices just didn't keep rising." One wonders if the statement is made in jest or in seriousness. For rising prices are clearly a RESULT of inflation, not a cause.

The fact remains, however, that if you wish to teach your children the value of a dollar, you'd better be quick about it: if it's not already too late. For what has happened is that, between 1940 and 1974, in my lifetime, the dollar has lost three-quarters of its purchasing power. Nearly half of that loss has occurred during the past ten years. In the past three years, the annual rate of inflation rose from 5% in 1971, to 9% in 1973, to 14% for the first quarter of 1974. And, despite the hopeful predictions out of Washington, D.C., I think it is safe to say the situation is going to get worse . . . not better. Even if you

assume that inflation will level off at a steady rate of 14% (a risky assumption, believe me, for the longer view), do you realize the present dollar, at the present inflation rate, will lose half its purchasing power in just four years and seven months?

"So what?" Some people have asked me. "Why does inflation really matter if wages go up as fast as prices?" I must admit, you hear that question less frequently today than in early 1971 when I was starting to write my first essays on the subject. Nevertheless, even if wages were rising as fast as prices, there would still be several very good answers to that question. First, inflation must be thought of as a hidden tax . . . a tax which strikes hardest at those who can least afford to pay it; the poor, the elderly, or the wage-earner who barely makes ends meet and doesn't have the capital with which to hedge against the ravages of inflation.

Inflation is especially cruel to those who are past their active earning years, and who must live entirely on savings, pensions, or fixed incomes. Ask yourself—why is it retired people today find their social security pensions totally inadequate to live on? Those pensions certainly would be adequate if the dollars they are receiving could buy nowadays what they could have bought in the years when they were initially earned.

The second major reason inflation really matters, in spite of climbing wages, is that it destroys the incentive to save. What good does it do to put your surplus dollar earnings into a savings bank at 6% interest when inflation destroys the value of those dollars by 9% or by 14%?

Inflation discourages thrift and encourages debt. It encourages living for the here and now, rather than planning for the future and tomorrow. After all, why not incur debt today and pay it off with cheaper and cheaper dollars? Alas, for millions of Americans (not just the Federal Government) debt, or living beyond one's means, has become a way of life.

And yet, there are very few perils in life as dangerous as debt. I'm afraid most contemporary Americans would simply laugh at Ben Franklin's admonishment, "rather go to bed supperless than rise in debt." Thomas Fuller called debt the worst poverty . . . Ralph Waldo Emerson said that a man in debt is so far a slave. And Wendell Phillips described debt as "the fatal disease of Republics . . . the first thing and the mightiest to undermine governments and corrupt people."

Of course, not all the philosophers and past national leaders have condemned debt. Franklin D. Roosevelt said . . . and I quote . . . "Our national debt, after all, is an internal debt, owed not only by the nation, but to the nation. If our children have to pay the interest, they will pay that interest to themselves."

What unmitigated gall! Or is demagoguery not a better word? We are the children he spoke of. And our children and their children will forever be paying that internal and eternal debt which he dismissed so lightly.

Thomas Jefferson warned us nearly 200 years ago that public debt is the greatest of dangers. In his words . . . "We must make our choice between economy and liberty, or profusion and debt. 'If,' said Jefferson, 'we can prevent the government from wasting the labors of the people under the pretense of caring for them, they will be happy.'"

As much as anything else, it has been the virtue of thrift, the propensity of Americans to save, to spend a little less each year than they earn, which over the last two centuries has produced such a prosperous economy and such a remarkable standard of living. I say this because, without money in savings, few American businesses would have ever gotten off the ground. In order to provide

more jobs, businesses must be able to build and expand; in order to build and expand, they must be able to borrow funds that someone else has been willing to part with on a temporary basis. Destroy the incentive to save, and you destroy the wellspring of American productivity. Unfortunately, U.S. inflation has already all but destroyed our incentive to save.

The third basic reason inflation really does matter . . . even if wages manage to keep pace with soaring prices . . . is that once inflation passes the nominal stage, meaningful economic planning becomes all but impossible. Not only can a person no longer feel secure in the knowledge of a properly planned retirement, but even short-term planning becomes difficult. The value of the dollar should be a yardstick for measuring the value of everything else. Can you imagine the havoc that would be brought to the world of science and technology if engineers and scientists had to cope with constantly shrinking units of measurement such as the inch or the centimeter? Similarly, a steadily shrinking monetary unit of measurement brings chaos to an economy, distorts financial judgments, and frequently leads people to take on commitments they really cannot afford, despite their recent pay raises. How many people are there in the U.S. today who, in a moment of exultation following some healthy boost in pay, have gone out and contracted for 36 monthly payments on a camper, a boat, or a swimming pool, and (long before those contracts were paid off) have ended up, of necessity, staying home and eating canned beans for dinner alongside their swimming pools?

To understand inflation, we must understand money. And money is a most basic form of property. It is minted human energy, and, as such, is an extension of yourself and your very life. Every dollar you earn represents a portion of your life—so many heartbeats out of the total number you are destined to enjoy. Once earned, there are only two things you can do with a dollar . . . spend it or save it. These two choices reflect the dual function that money has always served.

First, it is a medium of exchange which allows you to convert your labor into the means of sustaining yourself. Secondly, money is a store of value which you may choose to reserve for consumption at a later date, hoping of course, that it will still buy as much when you need it as it could have bought when you originally earned it.

Inflation is what destroys your store of value when a government dilutes the medium of exchange through excessive creation of money and credit. When government officials flood the economy with unearned, irredeemable paper money, they are actually destroying your property rights and mine. Remember that money is a most basic form of property, and that the right to property is the right to own and dispose of the fruits of your labor.

The extent to which this destruction of property rights has taken place here in America during the past several decades is hard to believe even for those who have lived through it all. Since 1939, due to the subtle process of inflation, the loss to savers has been nearly 700 billion dollars worth of purchasing power. That staggering figure represents a transfer of wealth from the private sector to the public sector . . . or, in other words, from the productive elements of society to the non-productive elements.

I have already mentioned the devastating impact of inflation upon the elderly. But what of the young? Consider the American who starts his first steady job at the age of 18. If the dollar inflates at an annual rate of ONLY 6%, he will see prices double before he reaches the age of 30. They will double for the third time in his life before he reaches 54. By the time he reaches retire-

ment age of 65, he will have to pay 16 times as much for any item he wishes to purchase as he would have paid when he began his working life at 18. If he lives to the age of 78, prices will be 32 times higher. During his lifetime, the dollar will have shrunk to a mere 3 cents. And that's at only 6% annual inflation. Unfortunately, our annual inflation rate is now much higher than 6% and climbing.

Remember Joe Louis? He ended his ring career in poverty despite the millions of low tax dollars he earned. Louis was a great fighter but a lousy golfer. Unhappily for him, too many of his golfing partners were not only more proficient on the fairways, but unscrupulous as well. A one-dollar-a-hole bet, doubled each time a hole was lost, didn't seem like much money to Joe, but at the end of 18 holes, Louis would owe his golfing companion 131 thousand dollars!

Inflation works much the same way. Germany's Mark depreciated 100% between 1914 and 1918. It took two Marks to buy what one would buy four years earlier. Five years later, runaway inflation had made the Mark totally worthless. In late 1923, the Germans paid off their war debts with 320 billion marks . . . which by that time had been reduced to a value of 8 cents in U.S. dollars. 320 billion Marks could pay off the German war reparations in 1923, but 320 billion Marks would not buy a single loaf of German bread.

Here in our own country in the year 1974, a 35-year-old man earning 20 thousand dollars a year will need two-and one-half million dollars a year by the time he retires . . . IF things don't get worse. This assumes an annual inflation rate of no greater than 14%. Viewed in that light, Social Security becomes a cruel hoax, does it not?

Such are the consequences of inflation. Yet before a problem can be solved, we need to know more than the consequences. In order to complete our understanding, we must also fully appreciate the cause of the problem.

When seeking out the causes of inflation, it's important to differentiate between primary causes and secondary causes. There is really only one primary cause of inflation, and that is government expansion of a nation's supply of money and credit. All other causes are merely corollary, made possible only by the willingness of government officials . . . usually for political reasons . . . to allow a country to live beyond its means.

How often have you heard a conservative blame inflation on Big Labor's demands for higher wages? Or how often have you heard a liberal blame inflation on the high prices charged by Big Business?

Both of those accusations are manifestly false. It is not possible for wages and prices to CAUSE inflation, for the simple reason that business cannot pay higher wages or charge higher prices unless the money supply is increased. When there is more money available to the marketplace, there is obviously more demand for goods and services—which is what causes prices to rise. Rising prices then put more pressure behind the drive for higher wages, which in turn usually get passed on to the consumer in the form of still higher prices—but only if those higher prices can be sustained, and production sold, as a result of the constantly expanding money supply. The circle is a vicious one. Without an increase in the money supply, successful union wage hikes would necessarily result in unemployment and lower production. Otherwise the companies involved would simply be priced out of business by their increased costs, without being able to increase their prices and still sell their products.

Once the whirlpool of inflation is begun, the politicians cannot stop their artificial stimulation of the economy without being accused of causing unemployment and de-

pression. So, what does the typical political leader do? He is not going to blame himself. He cannot blame Labor. So he blames Big Business.

Perhaps you saw the Senate hearings on TV during the oil crisis. The oil company executives were interrogated, lambasted, accused and threatened by a Senate Committee headed by Scoop Jackson.

Jackson knows very well that most Americans don't understand profits, nor the causes of inflation. Ranting and raving, he took on Big Business and postured himself as the champion of the people.

The junior senator from Washington was indulging, and continues to indulge, in the grossest display of political demagoguery. He delights in roasting alive the oil company executives because they had the temerity to allow their corporate profit margins to rise from 4% in 1972 to 8% in 1973; yet he never bothers to mention the fact that the dollar's inflation rate rose to an even higher 9% during the same year, and then he blithely calls for a general price roll-back for the oil industry!

Between the News Media, our educational system, and politicians such as Jackson, profit is rapidly becoming a four-letter word, alien to contemporary American principles. The fact is, however, that profit has nothing to do with the cause of inflation, and, without it, our free enterprise system would have folded long ago. It is precisely the opportunity for profit, when combined with the principle of free competition, which has been responsible for the unprecedented prosperity of America. Yet to hear the news media interpretation of profits, they are made to sound like a gigantic public rip-off.

Actually, when you take a good look at our education system, it's not the least bit surprising that newsmen, as well as most Americans, are generally unacquainted with the role of profit, and with the free enterprise system. We constantly hear about shortcomings in our schools in the areas of reading and mathematics. But how often do we hear about the nearly complete ignorance our students have of American history? The public school system has miserably failed us, not only in the 3 R's, I submit—but also in imparting to our students any real understanding of their precious national heritage: of the thinking of Adams, Jefferson, Hamilton, and Madison—to name only a few. Our children haven't even received a nodding acquaintance with the genius of Adam Smith and the free market system. Is it any wonder we have rampant inflation today when the general population of the country is blind to what makes the economics of a free nation work? Perhaps if we and our children had been given the education we've so richly paid for, we wouldn't be facing the prospect of economic chaos ahead.

History tells us that governments have never been able to devise more than three basic ways of financing their operations and expenditures. The first is taxation . . . direct and indirect. The second is borrowing, usually resorted to only after the level of taxation becomes objectionable. The third is increasing the quantity of money and credit . . . which is a polite way of saying inflation.

Our national "public" debt today stands at 475 billion dollars. That means that during the last fifty years . . . and mostly the last thirty . . . the Federal Government has spent roughly 400 billion dollars more than it was able to collect in taxes. Now, how in the world does the government spend money that doesn't exist? Let me tell you . . . easily! It simply creates it out of thin air by issuing notes to the banking system. The face value of the notes is credited to the government's account, and the notes are then added to the so-called "public" debt.

The single most important thing to understand here is that this newly created

money is unearned: it represents no investment of human time or energy, and therefore can assume true value or purchasing power only by "borrowing" purchasing power from money already in circulation. The "kicker," of course, is that the "borrowed" purchasing power can never be paid back. The only true-value, non-inflationary money that any government has to spend is money received in taxes, or legitimately borrowed out of the people's earnings. When government decides to spend more than it has thus received, that extra, unearned money takes on value only by reducing the value of all money, savings, pensions, annuities, and insurance. That's what inflation is all about.

We hear about inflation in other countries . . . particularly South America. Inflation seems to be a way of life for those nations . . . and yet, so is abject poverty for the vast majority of their citizens. Thus far, our own people have been spared most of the hardship which other peoples, over the centuries, have simply taken for granted.

But where are we now in America, as we approach the 200th anniversary of the birth of the Republic? The figures and percentages change from day to day, and from one economist to the next, but this much is certain: for the first time since 1947, the United States is experiencing a double-digit inflation rate. As for length and severity, the current U.S. inflation has already become the worst since World War I.

Well . . . as I said at the beginning of my speech, you don't need an economist, a politician, or anyone else to tell you that your dollar is buying less and less, faster and faster.

Now that we have covered at some length both the consequences and the causes of inflation, that leaves just one thing to consider . . . the cure. Solving the problem. There is no easy answer. If there were, it wouldn't be such a devastating problem.

But there are solutions . . . and there are alternatives. The one which our present leaders in Congress will most likely take is to do nothing to curb inflation, but instead continue to feed it by increasing the deficit spending, and therefore, as well, the dosage of fiat paper money needed to pay for that deficit spending. This can only postpone the inevitable, resulting ultimately in our self-destruction.

The other alternative, which, on the surface, would appear to be the hard route, is to go "cold turkey."

The incredible economic dilemma our nation finds itself in is precisely analogous to a person who has become hooked on drugs. First, he plays around a little with grass, works his way in deeper, and finally gets hooked on the hard stuff. Withdrawal is then extremely painful . . . but the only choice is either to go "cold turkey," or to continue to increase the dosage all the way to premature and certain death.

As a nation, we are already hooked on the "drugs" of printing-press money, deficit spending, and virtually limitless credit expansion. Make no mistake about it, withdrawal from our inflationary economy will be very painful. However, we have no other choice except ultimate chaos and disaster.

As historian Arnold Toynbee has pointed out, of 21 notable civilizations, 19 perished not from external conquest, but rather from internal disintegration.

In a metaphorical sense, we are all suffering from a severe case of the measles, with the red blotches prominently visible on all our faces. It was never my intention to point this out, tell you that it's caused by a virus, and then sit down, suggesting we're all going to suffer and die together. There is a vaccine. Painful though the shot may be, we really have no other choice for economic survival but to withdraw from the causes of inflation. To go "cold turkey." What is this medicine

I speak of? Certainly it is not Wage and Price Controls! Our recent experience with "Phases" I through IV should have taught us that lesson once and for all. Economic controls cannot possibly cure inflation in the long run because they are aimed at the private sector of the economy, whereas it's the public sector . . . government . . . which is causing the problem in the first place through excessive money creation. Obviously, economic stability cannot be sustained without economic discipline. Primarily self-discipline. By government itself.

You can be sure that most of our political leaders understand this. And if they don't, they are not only incompetent, but stupid. What they are not sure about is that we understand it.

And because they are not sure, they are unwilling to take the vaccine of economic discipline, which means simply returning, step-by-step, to a sound dollar and a healthy economy. These steps would require first of all, restoring to Americans their right to own gold. Secondly, it means renewing the ties between our paper dollar . . . now rapidly becoming worthless . . . and gold. Thirdly, it would necessitate putting an end to any further deficit spending at the federal level; and fourthly, it would require an Act of Congress, or a Constitutional Amendment, stabilizing our nation's supply of money and credit.

There are other ways of backing a paper currency besides gold, but gold is probably the best standard to use for supporting a monetary system because it has the unique distinction of being the ONLY exchange commodity universally accepted in all civilized nations since the beginnings of recorded history. And it has never once been refused by any country in payment for debt.

The enemies of gold are fond of claiming that it is an archaic institution which has outlived its usefulness as a monetary standard. If that be so, then why do we have laws in this country preventing individuals from owning, buying, or selling the barbaric metal? And why does our Federal Treasury refuse to sell gold today to ANYBODY at ANY price?

The enemies of gold often claim that there simply isn't enough gold to go around to support the needs of expanded world trade. The fallacy in this line of thinking becomes clear when we ask ourselves the question, "Would there be enough Cadillacs to go around today if they were still selling at 1934 prices?" Once a truly free market in gold is established, supply and demand will regulate the price, and any quantity of gold will, in the process, become sufficient to undergird all of the free world's currencies. This is the only way to have real economic discipline. Paper has never provided that discipline because it is simply too easy to produce—and reproduce.

Let me emphasize that this opinion is by no means confined to a politically conservative philosophy. One of the strongest modern advocates of liberalism . . . national columnist Nicholas Von Hoffman . . . did a number of articles earlier this year on inflation. In the March 19th Seattle Post-Intelligencer, Von Hoffman described the sad plight of the American dollar and concluded with these words: "The search for inflation-proof places to put money has led to gold and silver. It is also going to lead to (unprecedented) interest rates. The government will, of course, move to stop that . . . not by restoring people's faith in the worth of the dollar, but by printing more of them, which will in turn aggravate the situation by forcing lenders to charge yet higher rates of interest to protect themselves."

Or, going back even further in the annals of respectable liberalism, listen to what the great British playwright, George Bernard Shaw, had to say on the subject. Shaw, hardly an oracle of the political right in 19th Century England, put it this way:

"The most important thing about money is to maintain its stability, so that one pound will buy as much a year hence or 10 years hence or 50 years hence as today, and no more. With paper money this stability has to be maintained by the government. With a gold currency it tends to maintain itself . . . you have to choose (as a voter) between trusting to the natural stability of gold and natural stability of the honesty and intelligence of the members of the government. And, with all due respect to these gentlemen, I advise you, as long as the capitalist system lasts, to vote for gold."

I am convinced that the survival of our free nation with its free institutions will depend largely on the continued productivity of our economy. And the continued productivity of our economy depends chiefly on the integrity of the Dollar. I might add that the integrity of the Dollar depends on the integrity of our political leaders. It's easy to see how much integrity there has been in that arena for the past 40 years.

Fortunately, there are some recent encouraging signs. The most significant one comes from our new Secretary of the Treasury, William Simon, who has been publicly advocating the right of Americans to own gold. Another encouraging signal is a message being sent to Washington by an ever-increasing segment of the American people. They're saying, in effect, we know good money from bad. And they're sending the message by converting Federal Reserve notes . . . paper dollars . . . into silver and gold coins. Ask any coin dealer where the volume of his business has been the last several years. Certainly not in rare coins! But rather, very simply, in real money: in gold and silver coins—the kind of money our paper dollars used to be convertible into. Forty years ago, a U.S. 20 dollar gold piece circulated and traded for 20 dollars' worth of merchandise. Today you must pay 300 paper dollars for any common-date \$20 gold piece. If you want to buy a 1964 silver Kennedy half-dollar, mintage 433 million coins, it will cost you nearly two bucks today, just ten years later. Truly, I think that tells the sad story as eloquently as anything can, and it also points the way toward a return to monetary sanity. The crux of the matter can be stated very simply. When citizens have a choice between hard money and depreciated paper, their government—unless it wishes to risk seeing its "legal tender" notes repudiated—has no choice but to act to preserve the integrity of the medium of exchange.

The job of restoring sanity to our economic and monetary policies will be completed when a majority of Americans understand that ALL of our freedoms depend on economic freedom, and when they start insisting that their elected representatives guard that freedom.

Americans are only human, and we have made many mistakes in the past. However, fortunately, our mistakes as a nation have been more than offset by our right decisions. I am indeed hopeful, now that the economic blunders of the past 40 years are becoming more clearly defined and more widely understood, that the right decisions will be made in the trying months which lie ahead.

THE BUDGET AND IMPOUNDMENT CONTROL ACT: AN IMPORTANT STEP IN RESTORING CONGRESSIONAL POWER OF THE PURSE

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. HEINZ. Mr. Speaker, in one of the most significant and far-reaching ac-

tions in this Congress, the House and the Senate recently passed H.R. 7130, the Budget and Impoundment Control Act. This bill, now awaiting the President's signature, would create a coherent and viable procedure for handling the Federal budget, and would restore the proper authority of Congress in the budgetary process.

I wish to commend to my colleagues part III of a National Journal article concerning this legislation, which I feel provides an excellent overview of the significance and implications of this bill. Part III of these articles follow:

[From National Journal, May 18, 1974]

IMPOUNDMENT: KEY BUDGET ISSUE

When Senate and House conferees on the budget reform bill first met on April 9, they virtually ignored the technicalities of the budget making process and turned instead to the one issue that is most likely to delay the bill—impoundment.

The impoundment provision in the House bill gives either chamber of Congress 60 days to reverse a Presidential impoundment. The Senate's provision prohibits impoundments "for fiscal policy purposes or to achieve less than the full objectives and scope of programs enacted and funded by Congress," but it provides no procedure for reversing a President who persists with impoundments.

Several members of the conference committee on the budget reform bill believe the two impoundment provisions might be combined to tighten the definition of impoundments and to provide a procedure for reversing them.

Sen. Edmund S. Muskie, D-Maine, said in an interview that he could accept the procedures of the House version as long as impoundments for policy purposes were forbidden. Rep. Richard Bolling, D-Mo., said he will be satisfied if there is a procedure to stop impoundments.

"There's enough of a push for this bill so that I can't conceive of giving up over the impoundment issue," Bolling added. "We've fought, struggled and bled for this bill, and we can fight a little more."

House: The House Rules Committee attached the impoundment provision to the House version of the budget reform bill.

Presidential impoundment messages would be referred to the Appropriations Committees in both chambers. If either committee did not report within 30 days a resolution to overturn the impoundment, one-fifth of the Members of that chamber could move the issue to the floor with a discharge petition.

"The great strength of this approach is its practicality," the Rules Committee said Bolling said that under the Senate approach, the only way to stop a President who continues to impound money is to go to court, and that takes a lot longer than 60 days.

Rep. Dave Martin, R-Neb., tried on the House floor to take the impoundment section out of the budget reform bill. He lost 108-295.

The House impoundment provision is almost identical to a bill (HR 8480) passed by the House in 1973. The chief difference is that HR 8480 was effective for just one year; the impoundment provision of the budget reform bill is unlimited.

Senate: The Senate also passed an impoundment bill (S. 373) in 1973. The Senate and House bills did not go to conference committee because their sponsors could not reconcile their differences.

S. 373 would have required Senate and House approval before any impoundment could become effective. The Senate Rules and Administration Committee which attached an impoundment provision to the Senate's budget reform bill, changed S. 373

in an effort to make reconciliation with the House possible.

The Senate's impoundment provision is aimed at tightening the 1950 Anti-deficiency Act (64 Stat 765), which allows the President to make impoundments to save money "whenever savings are made possible by or through changes in requirements, greater efficiency of operations or other developments subsequent to the date on which such appropriation was made available."

The Rules Committee said the purpose of its impoundment provision "is to assure that the practice of reserving funds does not become a vehicle for furthering Administration policies and priorities at the expense of those decided by Congress."

The objection of many Senators to the House provision is that it allows the President to do for 60 days what many federal courts have ruled he may not do at all. One Senate staff member said: "It's like telling a guy not to commit burglary, but if you do commit burglary we'll have 60 days to tell you again not to."

THE BUDGET REFORM BILL OF 1974: A HISTORY

A month before the 1972 Presidential election, President Nixon challenged Congress to pass a law putting a \$250 billion ceiling on the fiscal 1973 budget. Congress didn't.

The Senate refused to give the President the power to cut money from programs of his choice, and it had no procedures of its own for computing what programs to cut. Instead, Congress passed a law (86 Stat 1324) increasing the federal debt ceiling.

In that same law, Congress took the first step toward remedying the problem that made it so difficult to cut the budget. It established a Joint Study Committee on Budget Control, which was to recommend procedures to give Congress an over-all look at the federal budget, enable it to set budget priorities and let it coordinate spending with revenue.

The joint study committee unanimously recommended new congressional procedures for dealing with the budget. New budget committees in each chamber would consider issues now ignored by Congress: the relative priorities of different spending programs, the proper level of federal spending, the proper size of the budget surplus or deficit.

The joint study committee recommended that Congress make its most important budget decisions early in the budget cycle. As its recommendations circulated through one House committee, two Senate committees and one Senate subcommittee, the new procedures were made much more flexible. But the establishment of budget committees to look at the over-all budget picture remained the central part of all budget reform bills.

Despite the significant changes in the details of budget reform as the joint study committee recommendations circulated through Congress, committee votes were unanimous at every step. The House approved its budget reform bill by 386-23, and in the Senate the vote was 80-0. The overwhelming support shows that the Members' common belief in the need for budget reform is greater than their disagreement over the details of how to achieve it.

Joint committee: The 32-member joint study committee recommended an elaborate series of budgeting procedures emphasizing tight spending control.

Each spring the budget committees would report a joint resolution establishing a budget ceiling for the coming fiscal year, dividing the budget total among congressional committees and appropriations subcommittees, providing a level of revenue and setting the appropriate budget surplus or deficit. After Congress approved a budget resolution by May 1, it would be difficult for Congress to exceed its budget ceilings. When the budget cycle was completed in the fall, a tax sur-

charge might be required to keep the budget deficit from growing.

Rep. Al Ullman, D-Ore., a co-chairman of the joint study committee, said the committee felt mandated by law to recommend procedures emphasizing tight spending. "We knew full well that we would have to put some flexibility into the procedures later," Ullman said in an interview.

A joint study committee staff member said, "We were just trying to be too perfect."

House: In the House, the joint study committee's recommendations were referred to the Rules Committee, where Rep. Richard Bolling of Missouri, the third-ranking Democrat, became budget reform manager.

Bolling and Rep. Jamie L. Whitten, D-Miss., co-chairman with Ullman of the joint study committee, introduced budget reform bills of their own, adding flexibility to the tight controls of the joint study committee recommendations.

The bill approved Nov. 13 by the Rules Committee, and subsequently by the House, is an amalgam of the Bolling and Whitten bills. It requires that Congress set spending targets—not ceilings—in the spring. If later spending decisions exceeded the targets, Congress could cut some appropriations, approve higher taxes or increase the budget deficit.

In its report on the budget reform bill, the Rules Committee said early spending limits "deprive Congress of a flexible response to changing circumstances."

"By the time the appropriations process was reached," the committee added, "the main decisions already would have been locked in by the early budget resolution."

Senate: By a much more circuitous route, the Senate produced a budget reform bill similar to the House bill in all its essentials.

GOVERNMENT OPERATIONS

The bill was referred first to the Government Operations Committee. On July 25 its Subcommittee on Budgeting, Management and Expenditures reported a bill retaining many of the tight controls recommended by the joint study committee. Its chief sponsors were Sens. Charles H. Percy, R-Ill., and Sam J. Ervin, Jr., D-N.C.

Percy and Ervin won unanimous subcommittee approval only after a version backed by Sens. Edmund S. Muskie, D-Maine, and Bill Brock, R-Tenn., replacing the tight spending ceilings with flexible targets, was rejected, 4-5.

When deadlock threatened the full committee, Muskie and Percy reached a compromise. The bill approved unanimously by the Government Operations Committee on Nov. 8, 1973, would have set a fairly rigid level of total federal spending each spring, but it would have given Congress flexibility to juggle spending for individual programs as long as it stayed within the over-all ceiling.

RULES

When widespread opposition to the Government Operations bill was expressed by chairmen of authorizing committees, the bill was referred to the Rules and Administration Committee for further revisions.

By loosening the tight budget ceiling but keeping many of the other basic provisions of the Government Operations Committee bill, the Rules Committee produced a bill similar in approach to the House bill.

"The process of going through the Rules Committee strengthened the bill politically while retaining the basic thrust of the Government Operations Committee bill," Muskie said in an interview.

STAFF COOPERATION HELPED PRODUCE LEGISLATION

Seldom does a staff member of the Senate Labor and Public Welfare Committee work for the Rules and Administration Committee to rewrite a bill that has been reported by the Government Operations Committee.

But that is what happened with the Sen-

ate's budget reform bill. Herbert N. Jasper, research director of the Labor and Public Welfare Committee, was chairman of a group of 45 Senate staff members who put together the budget reform bill passed by the Senate March 22.

"This joint staff member effort, and the magnitude, tenacity and detail that it represented, I think is without precedent in this body," said Sen. Lee Metcalf, D-Mont., whose Government Operations Subcommittee on Budgeting, Management and Expenditure was the first to mark up a budget reform bill.

Jasper's performance as chairman of the staff group was described as an "ego trip" by some other Senate staffers, who rarely get credit for their work. But Sen. Charles H. Percy, R-Ill., said on the Senate floor that Jasper did a "masterful job" of chairing the group.

Critique: One of Jasper's duties at the Labor and Public Welfare Committee was to analyze the budget history of the Nixon years to determine whether the President rather than Congress was responsible for most of each budget deficit. He had a natural interest in the budget reform bill approved unanimously by the Government Operations Committee on Nov. 8.

"The bill that came out of that committee might have been a disaster," said Jasper, who soon will become general counsel of the Labor and Public Welfare Committee.

He said he felt the Government Operations bill would have permitted a one-third minority of the Senate to insist on inflexible procedures for dealing with the budget. He said the bill would have hampered the effectiveness of legislative committees such as his own to authorize funds, because it would have required Congress to set a budget ceiling by March 31, three months before each fiscal year, and to complete action on authorizing legislation by May 31.

Jasper said he felt the bill required rewriting because amendments on the Senate floor would not produce a coherent bill. He told his boss, Sen. Harrison A. Williams, D-N.J., chairman of the Labor and Public Welfare Committee, that Williams' best chance to improve the bill would be in the Rules and Administration Committee, of which he was a member.

The bill was referred to the Rules Committee on Nov. 30. The Rules Committee staff had no experts on budget reform, and so Williams offered Jasper's services.

Jasper circulated a critique of the Government Operations bill among the authorizing committees. He said his strategy was to "create a climate that would convince the bill's gung-ho supporters that the bill would have to be changed."

In December Jasper drafted a letter from Sen. Howard W. Cannon, D-Nev., chairman of the Rules Committee, asking chairmen of the authorizing committees for their views on budget reform. In January Jasper drafted Williams' reply. In effect, Jasper answered his own letter.

Nine other committee chairmen also responded to Cannon's letter, and only one, Sen. J. W. Fulbright, D-Ark., chairman of the Foreign Relations Committee, failed to express opposition to parts of the bill.

Staff group: Sen. Robert C. Byrd, D-W.Va., chairman of the Subcommittee on the Standing Rules of the Senate, took charge of the bill in the Rules Committee.

"I wanted to be sure that the bill would be workable and that it would not too greatly disturb the existing methods of doing business in the Senate," Byrd told the Senate on March 19.

A day of hearings on Jan. 15, during the Christmas recess, convinced Byrd that opposition to the Government Operations bill was so widespread that a rewrite was necessary. The sponsors of the Government Operations Committee bill, including Sen. Sam J. Ervin Jr., D-N.C., and Charles H. Percy, R-

Ill., the committee's chairman and ranking Republican, recommended to Byrd that a staff committee rework the bill.

Byrd decided the best way to write a workable budget reform bill was to give the entire Senate a chance to help write the bill. So he set up a group of 45 staff members from 11 Senate committees, four individual Senators, four joint committees, three congressional assistance offices and even the House Appropriations Committee.

Byrd placed William M. Cochrane, staff director of the Rules Committee, in charge of the project. Cochrane turned over the meetings to Jasper.

"I thought we could develop a consensus bill," said Jasper. They did, despite the cumbersome size of the staff group. It produced a revised bill after 90 hours of meetings during 16 days. The Rules Committee unanimously approved the bill on Feb. 22.

"Most of the suggestions made to the Rules Committee in testimony and in letters have been accommodated in the revised bill," Byrd said. "But these changes were incorporated without departing from the basic structure and purposes of the bill proposed by the Government Operations Committee."

The efforts to put together a consensus bill paid off. On March 22 the Senate passed the budget reform bill by a vote of 80-0.

STRIP MINING BILL RECEIVES WALL STREET JOURNAL AND BUSINESS WEEK SUPPORT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BINGHAM. Mr. Speaker, I was pleasantly surprised to observe in the June 25 Wall Street Journal—a newspaper not known for its support of the environment as against the interests of big business—an editorial in support of the House strip mining control bill.

The Journal supports the bill as "a reasonable attempt to reconcile conflicting viewpoints," echoing Business Week's May 25 evaluation of it as "a sensible compromise between two conflicting national interests—the need to produce fuel at a reasonable price and the need to preserve the environment." Approval from these conservative, industry oriented publications is in marked contrast to the virulent campaign which was waged against the House land use planning bill. That their support has been given to the strip-mining bill is significant and further discredits the scare tactics being employed by the administration and the coal and utility industries in an effort to prevent its passage.

I commend these editorials to my colleagues and other interested readers of the RECORD who may still doubt the need for and efficacy of H.R. 11500:

[From the Wall Street Journal, June 25, 1974]

ENERGY AND THE ENVIRONMENT

You wouldn't know it from all the ruckus, but the administration and the House Interior Committee are not all that far apart over the strip mining control and reclamation act soon scheduled for debate in the House.

There is a lot of public clamor, to be sure, with the administration claiming and the committee majority denying that provisions in the bill could reduce total coal production

by as much as one third. But essentially, both sides agree that federal minimum standards are necessary to balance important national environmental and energy needs. Now it remains for them to work out the details so that a genuine balance is preserved.

Perhaps the major drawback of the House Interior bill is that it tries to be all things to all people. To cite just one example, the decision to earmark the millions of dollars for research and training in mining and mineral extraction, to be carried out by private firms and at one public college or university in each state, appears to have been dictated as much by political as engineering considerations.

Nevertheless, overall the bill strikes us as a reasonable attempt to reconcile conflicting viewpoints, particularly since some of its principal sponsors recognize imperfections in it and appear willing to compromise. Some members say privately they have no real objection to extending the interim compliance section, which as written requires mining companies to meet environmental standards almost immediately during the 36-month transition period.

Other members are inclined to agree with the administration that the proposed 30 cent-per-ton reclamation fee may be too high, although they insist that some sort of fund is necessary to reclaim abandoned coal mines and rehabilitate the land and streams damaged by earlier coal mining.

But the House proposal is saddled with misunderstanding and even misinterpretation. For example, industry critics say the requirement that mined land be restored to its approximate original contour would require digging "another hole nearby, two or three times as large, without removing the coal—and thus disturbing two or three times as much land in the name of protecting the environment." Industry and the administration also insist that the "approximate original contour" provision precludes more desirable post-mining land uses. But the bill specifically exempts such foolishness.

Moreover, it specifically permits planned and controlled subsidence (or "longwall" mining). This means that fears about millions of tons of coal being taken out of production, in the belief the bill would be interpreted to prohibit orderly subsidence, have no real basis in fact. In any event, the administration and Interior Committee basically agree on this issue, so all that remains is to rewrite the provision in mutually acceptable language.

Like the Senate strip mining bill, the House Interior version will impose changes on the coal industry. Some will be merely pro forma, others will be annoying. Still others, like the approximate original contour provision and provisions regulating highwalls and spoil on downslopes, will require major changes in coal mining procedures. Ultimately they will raise costs for consumers.

The alternative to federal legislation is to leave standards to the states, which largely lack the means to enforce them and which generally don't require adequate planning and financing of rehabilitation. But a federal law would provide a legal framework within which companies could mine coal with a clear understanding of just what is and what isn't allowed. That would spare the industry the agony of doubt and indecision, and at the same time it would express the national concern about protecting the environment while we search for solutions to the energy shortage.

[From Business Week, May 25, 1974]

TRADE-OFF ON STRIP MINING

Environmentalists oppose the strip mining bill reported last week by the House Interior Committee because they think it is too permissive. The coal companies oppose it because they think it is too tough. Actually,

It is a sensible compromise between two conflicting national interests—the need to produce fuel at a reasonable price and the need to preserve the environment. The House should adopt it, and a conference committee should reconcile it with a bill already passed by the Senate to give the nation its first effective regulation of a practice that is chewing up 1,200 acres of land a week.

The bill would require strip miners to restore the land to its "approximate original contour." This goal is technologically and economically feasible in most regions, as some operators already have shown.

Restoring the land will increase the cost of coal, but in most cases the additional cost is acceptable. In the flat plains of Wyoming and Montana, stripped land can be restored for pennies per ton, according to a recent study by the National Academy of Sciences. Elsewhere, the cost would be higher, exceeding \$1 a ton in some areas. Even so, strip-mined coal will still be cheaper than deep-mined coal.

In areas where restoration is not possible, stripping would have to stop. But the House bill would give the industry three years to shift to seams where reclamation is feasible. The unworked areas could remain as a national reserve, awaiting future technology that would make restoration practical.

The bill would also protect land owners who do not own mineral rights to the coal beneath them. The coal companies would have to get the written consent of the surface owners.

All in all, the bill provides the best trade-off the nation can make. Both the industry and the environmentalists should stop carping and accept it.

GRANGE CELEBRATES 100TH ANNIVERSARY

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ESCH. Mr. Speaker, next month the Plymouth, Mich., Grange will mark the 100th anniversary of its service to the community. Formed to improve farming conditions and to obtain better roads for getting produce to market, it remains a nonsectarian and nonpolitical organization for anyone interested in farming.

Modern farming techniques and equipment have, of course, made very dramatic changes in the methods used on farms in America today. However, the spirit of rugged individualism and dedication to community and family remains a very integral part of farming in Plymouth. That spirit will be renewed when the residents of Plymouth gather next month to mark the beginning of a new century in the history of the Plymouth Grange.

The Plymouth Observer and Eccentric recently recounted the history of the Grange and its role in the community. I include it at this point in the RECORD.

GRANGE TO MARK 100TH ANNIVERSARY

(By Sherry Kahan)

PLYMOUTH.—The official big day is not until July but members of the Plymouth Grange are already making plans for a celebration to honor the 100th anniversary of their farm-oriented organization.

Chartered in 1874 when Plymouth was a quiet island of a few shops and homes en-

tirely surrounded by farms, the Grange was formed to improve farming conditions and to obtain better roads for getting produce to market.

It was and still is a non-sectarian non-political organization for anyone interested in farming. Unusual for its time, it gave women the same organization rights as men.

Recently a number of Plymouth Grange members gathered in the second story of the building at 273 Union that since 1913 has been the permanent headquarters of the organization.

They were meeting in a former hay loft for the building was once a stable for the carriage horses of Phil Markham, inventor of the air rifle. Markham once lived in the large house on the corner of Penniman and Union now owned by Jack Wilcox. Purchase price of the stable was \$2,500.

In those days one of the attractions of Grange affiliation was the chance to take part in purchase contracts under which members bought supplies at reduced prices.

When the word went out that the coal, binders twine, feed or fence posts ordered were due in town, horses were hitched up all over the area.

Down to the railroad siding rumbled dozens of wagons to pick up whatever was brought in that day.

When Mrs. Louise Spicer Tritton joined the organization 52 years ago she lived six miles from town on the Spicer farm at Warren and Napier (now Pilgrim Hills subdivision).

The original land grant deed signed by President John Quincy Adams for this farm is still in the possession of her sister, Mrs. Elizabeth Norman, who continues to own 10 acres at the site.

"I was 14 when I joined," said Mrs. Tritton. "My parents ate, slept and drank the Grange so it was perfectly natural for me to join too. People did things as a family then."

Mrs. Mary Fillmore who joined in 1914 recalled that the Grange had dinners as well as day meetings in those days, and one of the things talked about was having better roads.

"They've worked hard to get the Canton Center Road paved from Michigan Avenue to Plymouth," she said "and this was done in 1915."

The original box stalls and hay chute were still in the stable when the Grange took up its new residence. The wood was all brightly varnished possibly because the horses stabled there were considered the pride of the village.

In 1932, a fire broke out in the Grange, reported Mrs. Hilda Lunn. It burned a hole up through the second floor, destroyed records and did enough damage so that the members had to meet in each others' homes until repair work could be completed.

The building now has a meeting hall on both floors, a modern kitchen and the depot toilet is long gone.

"The Grange organization has worked hard to bring about such improvements in American life as rural free delivery, parcel post, the extension service of land grant colleges, rural electrification, pure food laws and social security," explained Mrs. Lunn who lives at 15854 Marilyn.

According to Grange records, the organization used to hold a harvest picnic every year. In 1891 it was held on Belle Isle.

To help the farm families pass the time in the winter the Grange had literary contests for two winters. In 1912-13, it offered prizes at rural school fairs for farm-oriented work done by the pupils.

Reminiscing about Plymouth Mrs. Fillmore recollected that the town once had red brick pavements and street car tracks. "It was a shame they covered up those bricks," she said.

Jesse Tritton, a Grange member for 40 years and present Master of the organization, could well be honored as a pioneer

commuter. In the 30s he drove daily to a Chevrolet plant in Hamtramck, usually taking Schoolcraft to Davison and then to John R. The trip took about an hour and a half.

"Schoolcraft had two paved lanes and very little traffic," he said.

His wife remembers that the park in the center of Plymouth once presented a rural picture that would delight Andrew Wyeth or even Norman Rockwell. Along Ann Arbor Trail were hitching posts to which Mrs. Tritton often hitched her horse and buggy.

A tank full of water for horses stood to one side. For a while a bandstand, frequently filled with local musicians, was a part of the park scene. A severe ice storm in March 1922 damaged many of the trees in this park.

Saturday night movies were shown on the streets in the center of town from 1915 to about 1920. A large curtain was draped over the area where the S.S. Kresge store is now located. Across the street a projector was set up, with the viewers in between.

Mrs. Tritton spent eight years in the one-room Hanford School at Hanford and Ridge. This was not because she failed to be promoted. It was a school taught by one teacher for about 25 to 30 children scattered through eight grades.

Transportation was a problem for her when she had to come into town to attend high school, then at Main and Church. The building, now Central School, was a 12-grade institution for town children. Rural students attended only during their high school years.

Not being 14, Mrs. Tritton was unable to obtain a driver's license. "But just to school and back," she said. "I could only run errands if I had written permission from my parents."

Most of these Grange oldtimers regret the passing of the rural era they remember. "When I came in to high school it was extremely unusual for me to run into someone I didn't know," observed Mrs. Tritton.

Mr. Fillmore finds himself getting a little angry now and again at the thought of good farming land now being swallowed up by housing developments. "Some of those money hogs have rocks in their heads," he said. "There are plenty of places around with sandy soil that could serve their purpose just as well."

Trying to adapt and build for the future, the Grange two years ago started a Junior Grange for young people between the ages of five and 14. It emphasizes such things as woodworking, a growing project, cookie making, and occasionally some needlecraft.

At the present time a member no longer has to be an active farmer. It is open to anyone with an interest in farming.

"Anyone who eats ought to be interested in farming," concluded Mrs. Tritton.

ALCOHOL SAFETY ACTION PROGRAMS MUST BE FULLY FUNDED

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. SEIBERLING. Mr. Speaker, last week the House passed the 1975 Transportation Department appropriation, and in so doing approved a \$4 million cut in the budget for the alcohol safety action programs—commonly called ASAPs.

ASAPs are perhaps one of the least known—and most effective—Government programs around. Briefly, they have two purposes:

First, to get the drinking driver off the road before he kills himself or someone else; and

Second, to help assure that those who are arrested, and others who have not yet been arrested, will not drink to excess and drive.

The programs were started in 1971 in response to the alarming fact that 28,000 traffic fatalities a year—over one-half the total—involve alcohol. In the 3 years of operation, they have been extremely successful.

The Department of Transportation requested \$9 million this year to continue for the next 2 years as many of the 27 remaining ASAP programs as possible. The cut voted by the House will mean that probably not more than eight programs can be funded.

Alcohol abuse and alcoholism are on the increase in this society. It is hardly the appropriate time to be cutting back on Government programs which have been successful in combatting the impact of this disease.

I have submitted testimony today to the Senate Appropriations Subcommittee on Transportation urging them to restore the House cut. My testimony is printed below. I hope my colleagues will familiarize themselves with these valuable programs and support their continued funding.

The testimony follows:

TESTIMONY OF REP. JOHN SEIBERLING

Mr. Chairman, I appreciate the opportunity to address this Subcommittee about the Alcohol Safety Action Programs.

Your Subcommittee will shortly be making a decision on the funding level for the Alcohol Safety Action Programs—commonly called ASAPs. As you know, the Administration requested \$9 million in the '75 budget to continue for two years as many of the 27 remaining ASAP programs as possible.

The Transportation Appropriation bill (HR 15405) reported by the House Appropriations Committee and passed by the full House on June 19th, contained only \$5 million for the ASAP programs—a \$4 million cut.

I want to urge your Subcommittee to restore this \$4 million and fund the ASAPs at the full—but very modest—level requested by the Department of Transportation.

ASAPs are perhaps one of the least known—and most effective—government programs around. I know of few programs from which the taxpayers get so much for so little.

Briefly, the ASAP program has two purposes:

To get the drinking driver off the road before he kills himself or someone else; and

To help assure that those who are arrested, and others who have not yet been arrested, will not drink to excess and drive.

The programs were started in 1971 in response to the alarming fact that 28,000 traffic fatalities a year—over one-half the total—involve alcohol. They were designed as demonstration projects to test the effectiveness of various ways of attacking the problem of the drinking driver. A total of 35 programs have been funded in 35 states. Without additional funding this year, the programs will be phased out entirely unless picked by state and local jurisdictions.

Although a final decision has not yet been made on which programs will be continued, program officials plan to fund the most promising and successful programs. The number of programs funded will depend on the size of this appropriation and the availability of partial state and local funding. However, it is probably not realistic to expect that more than 16 programs could be funded if the full \$9 million were available.

Officials from the National Highway Traffic Safety Administration estimate that the \$4 million cut voted by the House will mean dropping at least 8 ASAP programs.

I fully agree with the House Appropriations Committee's thinking, as expressed in the House report, that the states should begin sharing the cost of the ASAP programs. That is, in fact, precisely what is happening. But the states cannot "share" in funding programs if no Federal funds are available.

In Virginia, for example, home of one of the best ASAPs in the country in Fairfax County, the state has established 9 satellite programs modeled after the successful experience in Fairfax.

By funding these new programs, the state and local governments have made very clear their willingness to commit their own resources to help fight the problem of the drinking driver.

But the success of these new programs is dependent in large part on their ability to continue to draw on the expertise and knowledge of the Fairfax operation. It is critical, therefore, that the Fairfax ASAP, and others like it, be continued so that they may assist the newer programs and hopefully continue to stimulate the establishment of others. This modest appropriation is seed money in its truest sense.

Although the statistical evidence on ASAPs is not all in, the programs seem to have made a significant impact:

In those areas that have had programs operational for 2 years, the number of alcohol-involved fatalities has been reduced somewhere between 10 and 19 per cent.

In those same programs, there has been an even greater reduction—about 22%—in the number of people driving with high concentrations of alcohol in their blood.

Thousands of problem drinkers and potential problem drinkers heading down the road toward alcoholism have been identified and received counseling and rehabilitation which they might otherwise never have been exposed to.

Thousands of social drinkers have been exposed to badly needed information about alcohol and its effects on the body which will make them more responsible citizens.

As I mentioned earlier, one of the most successful ASAP programs in the country is located in neighboring Fairfax County. I'd like to briefly describe this program as an example of what is going on around the country in ASAP programs.

With the assistance of two mobile vans equipped to administer blood and breath tests on the spot, and 11 new police cruisers, regular duty policemen assigned to the Fairfax ASAP detail are on duty from 8 p.m. to 3 a.m., on the lookout for persons driving under the influence of alcohol. In 1971, prior to the establishment to the Fairfax ASAP program, there were 171 driving while intoxicated (DWI) arrests in Fairfax County and only 68 convictions. In each year of the program's operation, there have more than 3,000 DWI's. Today, 2½ years into the program, 7,500 people have been arrested by ASAP patrolmen. The percentage of alcohol-related fatal highway crashes in the County has been cut by at least 30%. The number of drivers on the road with a blood alcohol level (BAC) over the legal limit has decreased by 35%.

Although these figures are not perfection, they are encouraging. But there are a great many benefits from the ASAP program which cannot be easily measured by statistics.

One of the most valuable elements of the ASAP program is its identification system of the drinking population. Of the 7,500 people arrested in Fairfax County during the program's operation, 80% have been identified as either self-admitted problem drinkers or so-called social drinkers who are heading toward a serious problem and who, if they continue in their drinking pattern without help

will probably be alcoholics 5 or 10 years down the line. The ASAP program screens the social drinkers from the problem drinkers—and refers those with a problem or a potential problem to a variety of community agencies equipped to counsel and rehabilitate them. Since the rehabilitation programs are fee-paid, they are self-supporting.

Although persons picked up on a DWI in Fairfax County are given a choice between going directly to court or participating in the ASAP program, it is interesting to note, I think, that between 95 and 98% choose to go through the program.

For those with a drinking problem or a potential drinking problem, ASAP can literally be a lifesaver. As we all know, the stigma attached to alcoholism in this country is very great. And perhaps the greatest single problem we face in battling the disease is to convince the alcoholic to seek help. ASAP programs present a unique environment in which the alcoholic or the problem drinker, surrounded by peers with the same problem, can feel comfortable in discussing his problem and asking for help.

The Fairfax ASAP program—through its public information program—has also contributed enormously to raising the awareness of County residents about the problems of drinking and driving. Through alcohol information programs instituted in the schools, ASAP is getting badly needed information on alcohol to young people. The sophistication of the law enforcement officials, from the police officer to the judge, about the nature of alcoholism, has grown substantially as a result of the ASAP program.

The First Special Report to the U.S. Congress on Alcohol and Health from the Secretary of HEW issued in December, 1971, depicts in vivid detail the enormous impact which the disease of alcoholism has on this society:

Alcoholism drains the economy of an estimated \$15 billion every year.

Approximately 5% of the work force are alcoholics and another 5% are serious alcohol abusers. The Federal government—the largest employer of them all—has 240,000 alcoholics on its payroll.

Alcohol abusers caused 28,000 highway fatalities in one recent year. Among youth aged 16 to 24, the ratio of alcohol related traffic fatalities is a startling 6 out of 10 highway deaths.

Public intoxication accounts for one-third of all arrests reported annually.

Only 3-5% of all alcoholics fit the stereotype of "skid row" inhabitants. In truth, alcoholism is a disease which strikes all segments of our society—without regard to age, race, sex, or economic status.

These awesome statistics will be updated later this month when the Secretary releases his Second Report on alcoholism. Secretary Weinberger has already warned that the new report will offer even more disturbing evidence which, in his words, "may focus the attention of the American people as never before to the true scope and national implications of the evils generated by alcoholism." We can anticipate some of this new evidence.

For example, it is generally recognized that the estimate that there are 9 million alcoholics in America is very low. A recent Gallup poll showed that 18% of those 18 and older—some 25 million Americans—sometimes drink to excess and more than they think they should.

There is new evidence indicating a considerable increase in the use of alcohol by young people—some of them in their early and mid-teens. And recent studies have shown that there has been a significant increase in involvement in fatal crashes of drivers under 21 in areas that have changed the legal drinking age from 21 to 18.

Finally, experts acknowledge that alcohol abuse by women is on the rise.

In summary, all the indicators point to an increasing problem with alcohol in our society.

It seems to me, then, that this is a time when the Federal Government should be moving forward—exerting new and strong leadership in the battle against alcoholism. We have not yet reached the comfortable position where we can step back and leave this fight entirely to the states.

The ASAP programs have made a modest—but very important—contribution to efforts to decrease the number of alcohol-involved traffic fatalities. They have helped thousands of people confront their alcoholism and seek help. They have run interference for thousands of others who were headed toward alcoholism, but who were exposed to information and assistance in time. And they have made a significant contribution to an enlightened public attitude toward alcoholism and its impact on our society. They deserve to be refunded at the very modest level proposed by the Department of Transportation.

Thank you.

BETTER HEALTH FOR OUR YOUTH

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. WOLFF. Mr. Speaker, earlier this month I had the honor of attending a banquet of the weight-lifting and physical fitness workshop of Port Washington, N.Y. This community action project in association with a continuing program known as Port Alert, is led by Mrs. Naomi Beckley, who has given so much of herself to make this project the huge success that it is. People from all walks of life, from all areas of the community, have joined together to establish a program to provide better health for their youth. It has been community efforts such as these that have always stood in the forefront of the American drive for betterment.

The banquet, which was sponsored by the Port Washington Lodge of the Elks and hosted by St. Stephen's Church, was a most enjoyable affair. A standout feature of the evening was a color film of the workshop in action, filmed and shown by Mrs. Lillian Schiff of Schreiber High School on equipment made available by the Port Washington Library video project. Other events of the evening included three guest speakers, and a presentation of awards by Mr. Edward Calapa of the Elks and Mrs. Beckley to those who have provided distinguished service and to the top participants in the workshop.

I would like to take this time to enter into the Record the names of the organizers and participants of this project and those that contributed to the fine evening, so that they may receive the recognition due them. The names follow:

Mrs. Naomi Beckley, Program Chairman.
Mr. Thomas Romeo, Director of Athletics, Schreiber High School.
Rev. Frederick W. Rapp, St. Stephen's Church.
Mr. Edward Calapa, Exalted Ruler, Elks.
Mrs. Lillian Schiff, Schreiber High School.
Mr. William Travers, Guest Speaker.
Mr. Barry Hennis, Guest Speaker.
Mr. Philip Grippaldi, Guest Speaker.

Dennis Allen, Peter Moore, Gary Binkiewicz, Bill Cronin.

The participants in the program included:

Russell Beckley, Richard Biren, Robert Coyle, Eugene Eng Tow, Joe Fatizzi, Peter Fatizzi, Ira Goldsmith, Darryl Graham, Mark Javello, George Khushf, Tim Mallon, Michael McDermott, Michael Meeham, Joe Mele, Ted Milhaven.

Ralph Montoya, Scott Montoya, Chris Madura, Michael Madura, Henry O'Donnell, Phillip Raimondo, Jim Salerno, Frank Smith, Eric Swick, James Wright, David Annunziata, Eric Bingham, John Bloomfield, William Brewer, Andy Cohen, Bill Dawson, Bernard Fitzgerald.

Tom Fitzgerald, Gary Gerber, Larry Gottlieb, John Hansen, Steve Hiller, Ryland Huyghue, Frank Kettles, Peter Kohlmann, Joel Lazarus, Ned Lerner, Steve Martin, James Morris, Jeff Moss, Jules Picardi, Chris Schmitz, Peter Schmitz, Steve Suchman, Ralph Sotansky, Seth Szold, John Turner.

KIDNEY TRANSPLANTS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. PEYSER. Mr. Speaker, of the 12,000 Americans who need kidney transplants this year, about 2,000 will get them—if they are lucky. The rest will have to wait months or even years for an acceptable donor while they spend 10 hours a week plugged into a machine that filters out the poisons created by body waste.

One of the biggest problems has been the shortage of kidneys—and donors.

In a successful effort to bring this problem, to light, a successful transplant of a kidney was seen live on WNBC-TV's NewsCenter 4 last May 8. It was a rarity in electronic journalism.

NewsCenter 4 devoted 23 minutes in six segments of the 2-hour broadcast to show the progress of the operation as a kidney was removed from Mrs. Lois Hale and implanted in her 12-year-old daughter, Marilyn, at the Downstate Medical Center in Brooklyn.

Kidney malfunction is the fourth worst killer in the Nation, and this unusual telecast was presented to emphasize the desperate need for kidney donors. By midmorning of the day following the telecast, the regional transplant program of New York and New Jersey, and its affiliated organizations had received 350 calls from prospective donors. Calls received at WNBC-TV indicated an overwhelming approval of the telecast. By the end of May more than 3,000 expressions of interest had been received from potential kidney donors.

Dr. Frank Field, science reporter, and meteorologist, for NewsCenter 4, moving between the adjoining operation rooms occupied by mother and daughter, gave Channel 4 viewers a running account of the operative procedure as he spoke with Dr. Khalid Butt and Dr. Samuel Kountz, surgeons, while the transplant was in progress.

NewsCenter 4 technicians and Dr. Frank Field had spent two 12-hour days

in preparation for the telecast, and the equipment as well as the members of the WNBC-TV News staff went through the customary presurgery scrubbing. Four staff members were inside the operating rooms—Dr. Field, Executive Producer Vernon Hixson, Cameraman Cory Lieble, and Robert Matthews, who handled the lighting and cables. A single camera, the portable PCP-90, was employed to avoid cluttering the operating rooms.

Several other regular departments of NewsCenter 4 focused on the kidney transplant story. Closeup by Scott Osborne profiled the medical center's chief of surgery, Dr. Kountz, and explained the operation; Children, by Marjorie Margolies, did a preoperation interview with the mother and daughter; and NewsBriefing by Charles Scarborough detailed a history of kidney transplants.

On June 17 Mrs. Hale and her daughter Marilyn were guests in the NewsCenter 4 studio. Marilyn's kidney problem had been solved, thanks to modern medicine.

HURRICANE TRIUMPH

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mrs. GRASSO. Mr. Speaker, coach Ken Kezer and his New Britain, Conn., High School Hurricane baseball team are champions once again. By defeating a valiant West Haven Club at Old Yale Field, 6-2, the Canes won their second Class AA State title in 3 years and capped a marvelous 21-2 season which will, in the words of the New Britain Herald, "Go into the record books as one of the finest ever compiled by a Hurricane baseball team."

The final game was closer than the score indicates, and New Britain had to prove its mettle time and time again in crucial situations. Senior pitcher Don Fusari worked out of numerous predicaments. At one point, with two men on base, he struck out three West Haven batters on nine pitches.

This was after Coach Kezer came to the mound and, pointing to his heart, said:

You got it here. . . Show 'em you got it.

Fusari showed them.

The turning point of the game came in the sixth inning. The Hurricanes were again in the field, trying desperately to hold a one run lead. With two outs and the bases loaded, a West Haven hitter laced a Fusari pitch toward the gap between right and center field. New Britain hearts stopped as right fielder Kevin Moradian raced for the ball, dived with glove outstretched, and caught it. Once again, the Hurricanes had held on. They added three runs before the game ended, insuring victory.

As sports editor John Wentworth of the New Britain Herald put it:

It was a very special occasion, his affair at Old Yale Field.

For Coach Kezer, the championship merely provided more testimony to his remarkable coaching prowess. For the team seniors, it meant a sensational ending to an already spectacular three year career. And for the underclassmen, it represented a promise of things to come.

Heartiest congratulations to the students of New Britain High School for establishing a rich winning tradition and a proud team spirit which will continue for many years.

URGES STUDY OF FAST BREEDER NUCLEAR REACTOR PROGRAM

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ASPIN. Mr. Speaker, a bipartisan coalition of 38 House Members has joined me in urging the Environmental Protection Agency to undertake additional economic and environmental studies of the controversial fast breeder nuclear reactor program.

Recently, the EPA canceled plans to sponsor outside research on the relative costs and benefits of fast breeder reactor, even though EPA rated the draft environmental impact statement on the fast breeder reactor prepared by the Atomic Energy Commission "inadequate."

Mr. Speaker, the original contract was canceled after pressure was exerted by the infamous Office of Management and Budget, the Atomic Energy Commission, and some congressional proponents of nuclear power. The administration and the AEC are desperately trying to avoid any independent evaluation of the fast breeder reactor program.

A fast breeder reactor produces more nuclear fuel than it consumes while generating electricity. Mr. Speaker, I believe that there are serious economic and environmental questions which must be resolved before an irreversible commitment is made for the commercial development of breeders. It is not clear that a fast breeder reactor is either environmentally safe or economically sound. I frankly fear that the fast breeder reactor will in the long run be a more expensive method of generating electricity compared to conventional methods. Environmentally, there are serious questions about plant safety, the possible leak of radioactive materials, and even the theft of plutonium by terrorist groups to make homemade nuclear bombs.

The 38 of us have written to EPA Administrator Russell Train asking him to move forward on a proposed \$85,500 contract for an outside group to independently evaluate the economic and environmental impact of the nuclear fast breeder reactor. The fast breeder reactor program is such a far-reaching change in the way we generate power that independent evaluation must take place.

The letter follows:

June 24, 1974.

HON. RUSSELL E. TRAIN,
Administrator, Environmental Protection
Agency, Washington, D.C.

DEAR MR. TRAIN: We are writing to express our support for a strong and independent

EPA role in the evaluation of the AEC Breeder Reactor (LMFBR) program and its Environmental Impact Statement. Given the potential for environmental hazard posed by LMFBR development and the serious omissions and deficiencies in the draft statement, we fully support the "inadequate rating" determined by your agency. Questions concerning the safeguarding and toxicity of plutonium, reactor safety disposal and alternatives must be answered prior to full-scale commitment to Commercial Breeder development and before an Impact Statement can be considered adequate.

The potential environmental and social impact of a "Breeder Future" necessitates that the EPA evaluation of the final Impact Statement be thorough, and comprehensive. We therefore urge the EPA to appropriate the use of agency funds for consultation studies deemed essential. We are deeply disturbed that the AEC, the Office of Management and Budget and others have pressured the EPA to drop its proposal for an \$85,000 outside cost-benefit study. This sum is a modest expenditure given the multi-billion dollar price tag of LMFBR Research and Development.

We therefore request that your agency proceed with its original plan to have outside experts assess certain aspects of the costs and benefits of the Breeder Program.

The Breeder Program must stand the test of public scrutiny and must not be sheltered from federal agency criticism. The EPA must be free to make its own determination and present its conclusions to the public.

We hope to continue our effort to support your agency's thorough and independent evaluation of the Breeder Program.

Sincerely,

LES ASPIN,

Member of Congress.

And for: Hon. Bella Abzug, Hon. Herman Badillo, Hon. Jonathan Bingham, Hon. John Brademas, Hon. George Brown, Hon. Cardiss Collins, Hon. Lawrence Coughlin, Hon. Ronald Dellums, Hon. Don Edwards, Hon. Dante Fascell, Hon. Edwin Forsythe, Hon. Donald Fraser, Hon. Ella Grasso, Hon. Gilbert Gude, Hon. Lee Hamilton, Hon. Ken Hechler, Hon. John Heinz, Hon. Elizabeth Holtzman, Hon. Jack Kemp, Hon. Silvio Conte, Hon. Alan Steelman.

Hon. Edward Koch, Hon. William Lehman, Hon. Clarence Long, Hon. Ralph Metcalfe, Hon. Joe Moakley, Hon. Robert Nix, Hon. David Obey, Hon. Wayne Owens, Hon. Peter Rodino, Hon. Benjamin Rosenthal, Hon. Edward Roybal, Hon. Paul Sarbanes, Hon. Patricia Schroeder, Hon. John Seiberling, Hon. Pete Stark, Hon. Louis Stokes, Hon. Jerome Waldie, Hon. Lester Wolf, Hon. Robt. Tiernan, Hon. Gerry Studds.

WYOMING CONSERVATION LEADERS

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. RONCALIO of Wyoming. Mr. Speaker, on June 27, 1974, two outstanding citizens from the State of Wyoming, Mrs. Margaret E. Murie and Mr. Thomas A. Bell, will be honored by the Department of the Interior in being awarded the Conservation Service Award, the highest honor given by that department to nonemployees for distinguished service to our Nation in the field of conservation.

The citations signed by Secretary of the Interior Rogers C. B. Morton read as follows:

Citation for Conservation Service—Thomas A. Bell—in recognition of many years of untiring service as conservation leader and writer in the fields of wilderness, wildlife and public land management; Citation for Conservation Service—Margaret E. Murie—in recognition of outstanding devotion and leadership in the preservation and conservation of our nation's wildlands.

Lecturer, conservation consultant, naturalist and author Mardy Murie has spent her life in the West. Born in Washington, the boundless opportunities nature afforded her were studied, cherished, and served as the basis for her lifelong pursuit of preserving the beauty and the stature of the many acres in our Nation that are of inestimable value in their natural state.

Married to the late Dr. Olaus J. Murie, a noted biologist with countless awards to his credit, Mardy was able to continue her unswerving interest in the land, and together they became a top notch team, coauthoring such books as "Two in the Far North" and "Wapiti Wilderness."

In 1967, Mardy Murie was named a distinguished alumnus of the University of Alaska, where she was the first woman to graduate, and the only graduate of the class of 1924. She is an honorary life member of the Sierra Club, an honorary member of the Wyoming Press Women Club, and a long-time member and consultant to the Wilderness Society. She is also a member of the National Audubon Society, the Federation of Western Outdoor Clubs, and the Society of Woman Geographers.

Editor-reporter Thomas A. Bell, is a native of Wyoming and a distinguished veteran of World War II. Following the war, like so many of us, Tom Bell returned to school, the University of Wyoming, where he received a master's degree in botany. Upon graduation, Tom became a biologist with the Wyoming Game and Fish Commission and was assigned as manager of the Ocean Lake facilities near Riverton, Wyo. He soon went into business for himself, buying a ranch by nearby Lander.

While ranching, Tom Bell accepted the position of executive director of the Wyoming Outdoor Coordinating Council, and began writing columns and feature articles for the Wyoming Wildlife Federation. His interest and expertise grew, and finally Tom sold his ranch and founded one of the Nation's leading environmental biweekly newspapers, "High Country News."

Awards are nothing new to Tom Bell. He was the first recipient of the Rocky Mountain Center on the Environment's Communication Award, has been honored with the American Motors Conservation Award, and has received numerous recognitions within Wyoming. Tom also holds the positions of past president of the Wyoming Wildlife Federation and past executive director of the Wyoming Outdoor Coordinating Council.

Mr. Speaker, I commend these two individuals who serve as leaders and examples of the most favorable sort in their field of conservation. I laud them personally, because I know first-hand of

their sincerity, their untiring work, their unswerving ideals in the cause whose banner they carry. I congratulate Mardy Murie and Tom Bell for recognition well earned and well deserved.

TWENTY DAYS IN OCTOBER

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. LONG of Maryland. Mr. Speaker, a recent article by Marvin and Bernard Kalb in the June 23 New York Times magazine, entitled "Twenty Days in October," constitutes a startling revision of the previously held belief that the United States moved instantly, quickly, and decisively to provide Israel with the arms it needed to defend itself during the Yom Kippur war. The Israeli Government has even been quoted in the past as expressing gratitude for U.S. help, saying that this help was immediately forthcoming and delivered without prodding.

But, according to the Kalbs, the contrary seems to have been true. The United States dragged its feet for an entire week before beginning the massive airlift Israel needed to replace its staggering losses. Indeed, the Kalbs suggest that supplies of planes, tanks, ordnance, and electronic equipment might not have been forthcoming even after a week's delay, if the administration had not feared severe political repercussions both abroad and at home.

Excerpts from this article follow:

TWENTY DAYS IN OCTOBER

(By Marvin and Bernard Kalb)

Early on the morning of Monday, October 8, as the war picked up momentum on both fronts, Schlesinger met with his top aides and, according to reliable sources, rejected a request that Israeli planes be allowed to land in the United States to pick up ammunition and spare parts. Israel's General Elazar had predicted that morning that his forces would soon go on the offensive, but his prediction was based, in part, on the expectation of increased American supplies.

In the afternoon (October 11), Kissinger himself again urged Schlesinger to charter 20 American transport planes to fly supplies and again Schlesinger resisted, warning of a possible oil embargo. Their argument was resolved only after Kissinger had won the President ordered Schlesinger to charter 20 planes; but by the end of the day Dinitz still had heard nothing of the airlift, and Israel, meanwhile, was still suffering heavy losses.

At 6 P.M., Friday (October 12), Dinitz accompanied by General Mordechai Gur, then Israeli Defense Attache, finally got his meeting with Pentagon leaders. Dinitz reviewed the massive Soviet contribution to the Arab cause and then lamented the "unbelievably slow response of the Americans." Schlesinger did not dispute the Ambassador's rundown, but he explained that "political considerations" had caused the United States to "slow down." The U.S. did not want to destroy its "position and image in the Arab world." Private airline charter companies feared Arab terrorism or reprisals and therefore refused to help Israel. Insofar as United States military transports were concerned, Schlesinger carefully emphasized that they would be permitted to carry military supplies to the Azores Islands, but no further.

Israel would have to make other arrangements to get the supplies from the Azores to Tel Aviv. Dinitz was flabbergasted. He said, in that case, the supplies wouldn't get to Israel "in time for this war."

(Friday night, October 11, Israeli Ambassador Dinitz, in a meeting with Kissinger) "If a massive American airlift to Israel does not start immediately," Dinitz emphasized, "then I'll know that the United States is reneging . . . and we will have to draw very serious conclusions from all this."

Dinitz did not have to translate his message. Kissinger quickly understood that the Israelis would soon "go public" and that an upsurge of pro-Israeli sentiment in the United States could have a disastrous impact upon an already weakened Administration.

At 10:30 (Saturday morning, October 13), the President summoned all his top advisers to an emergency meeting at the White House. Kissinger had alerted Nixon to the need for an unambiguous Presidential order launching an American airlift of supplies for Israel. Kissinger, in his dual capacity as national security adviser and Secretary of State, joined Schlesinger, Moorer, Haig, Colby and other officials. They heard the President ask one key question: Why had there been a delay in implementing his previous orders about supplies for Israel? Schlesinger tried to explain his difficulty in chartering civilian transport. "To hell with the charters," Nixon exploded, according to one eyewitness. "Get the supplies there with American military planes! Forget the Azores! Get moving! I want no further delays."

By 3:30 P.M. (October 13) Dinitz was informed that a fleet of larger C-5's had just left the United States for Israel. The Ambassador cabled Mrs. Meir that "a massive American airlift" had begun.

STEEL PRICE HIKES

HON. JOHN N. HAPPY CAMP

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. CAMP. Mr. Speaker, Monday morning Bethlehem Steel Co., the country's second largest steel mill, posted base price increases of from 5 to 15 percent on almost its entire product line.

When the events of the recent past are examined closely, it becomes apparent that what we are really talking about is a 40-percent increase in most steel costs since March 7. Let us take a look at what has happened in 4 short months.

In early March of this year, the Cost of Living Council finally OK'd an 8-percent increase in steel prices, after denying this request in December 1973 and February 1974, as inflationary and unwarranted. I understand, by the way, that 8 percent is a normal annual increase in steel prices. However, the expiration of the economic stabilization program on April 30 found the steel mills ready with another sizable price increase of about 10 percent, coupled with word that the extra fees charged for certain sizes of steel would be raised later in the month. On May 20, the extra charges were hiked, causing construction steel costs to rise some 10 percent. Monday's announcement by Bethlehem, which brings its prices up to those of the other major companies, brings the total percentage increase since March 8 to approximately 40 percent.

To get an idea of what this will mean

to the steel mills' customers, let us look at price comparisons between March 7 and June 24 on some of the basic steel used in the construction business. All figures given are for steel plate sized three-eighths inch by 84 inches by 53 feet.

Grade	Per hundredweight		Increase	
	Mar. 7, 1974	June 24, 1974	Per ton	Percent
A36.....	\$9.30	\$12.95	\$73	39.2
A588.....	12.00	16.25	85	35.4
A441.....	10.15	14.85	94	46.3
A572.....	9.85	14.35	90	45.6

The prices quoted above are Bethlehem's and, as I said, their action Monday brings their prices in line with the other majors.

Let me point out, too, that the smaller steel companies have kept pace with the majors' prices and, in fact, the so-called mini-mills have maintained a \$1.17 margin per hundredweight above the majors' prices, an increase in their prices of about 55 percent in a 13-month period.

In the steel business, Mr. Speaker, the metal fabricator agrees to buy steel from the mill at whatever the going price is on the day the steel is shipped. Since all the mills have this policy, there is no way to be sure that steel costs will not rise before delivery is made.

On the other hand, the metal fabricator in dealing with his buyers customarily contracts to deliver goods at a certain, fixed price. Thus we have a situation where unexpected increases in costs brought on by a hike in basic steel prices cannot be recovered by passing these increases along.

It is easy to see then where a company's backlog of orders could bankrupt it, given staggering steel price increases like the one announced Monday. In fact, according to informed sources, one company is facing an increase on one job of some \$450,000 on just the steel produce purchase cost alone. Another job will cost this same company an additional \$650,000 in unanticipated costs as a result of Monday's action. That is over a million dollar increase in costs on just two jobs, Mr. Speaker, and I would venture to say that this kind of a situation will not be unusual.

Mr. Speaker, the fact is that if steel prices continue to rise at the rate they have over the past 4 months, not only are many of our metal fabricators going to be in real trouble, but, ultimately, every consumer in the United States is going to be forced to pay for increased costs with the purchase of any product containing steel.

LET US CONCENTRATE OUR NATION'S EFFORTS ON SAVING THE LIVES OF INFANTS WITH BIRTH DEFECTS, NOT IN RATIONALIZING ALTERNATIVES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. KEMP. Mr. Speaker, no right is more precious than the right to life.

It would not need stating—except for in this day and time too many miss the point—that there are no other rights for an individual if there is not the right to life.

Recent hearings by the Subcommittee on Health of the Senate Committee on Labor and Public Welfare—popularly known as the Kennedy subcommittee—have brought to public light the growing willingness of some hospitals—even some parents—to allow children born with birth defects to die. These newborn babies are simply not provided the medical assistance and support systems necessary to correct the deformity or to sustain life.

To me, the disclosures made before the Kennedy subcommittee are right out of the pages of "Brave New World" and "1984"—out of that once far-distant future of degraded human existence which we thought we would never live to see.

There appeared in last Sunday's edition of Parade magazine a highly informative article on new surgical techniques being used to save infants born with birth defects.

Instead of adopting an elitist philosophy of individual or team judgment as to who shall live and who shall die, the doctors developing the techniques described in that article—and using them—are committed to using every technique known to modern medicine—and inventing some new ones in the process—to save these infants' lives.

Here is where we should be spending our research dollars—in helping these men and women of medicine develop and use techniques for saving lives—not in some bizarre fetal-experiment programs. That is why I voted for the successful amendment to prohibit the use of Federal funds for such fetal-research experimentation programs.

Here is where we should be spending our taxpayers' dollars—in saving these babies' lives—not in allowing the use of Federal funds for abortion—which would have been allowed by the recent legal services and community action bills. That is why I voted for the successful amendments to prohibit the use of those taxpayers' funds for abortions.

Mr. Speaker, I urge the Kennedy subcommittee—and all the Members of both the House and Senate—to insure that an adoption of national policy be directed at saving lives and in using our Federal tax dollars for such a commitment. Here, surely, is the direction in which we should be moving.

I commend this article to your attention:

A SECOND CHANCE AT LIFE: NEW SURGICAL TECHNIQUES THAT SAVE INFANTS
(By Jonathan Braun)

Joey was born in a New Jersey hospital at 3:30 a.m., weighed about 5½ pounds—and was in danger of losing his life.

X-rays showed that his esophagus, instead of leading from his throat down to his stomach in one long continuous tube, was in two segments. The upper part ended somewhere in his chest, while the lower end joined his trachea.

"Esophageal atresia," was the diagnosis, a common—but potentially deadly—birth defect. Survival meant it had to be totally corrected within hours.

It was—and today, Joey is a normal, healthy 4-year-old. Like thousands of other children, he owes his life to a medical specialty known as minisurgery—surgery on the very, very young.

Using incredibly delicate techniques, doctors have operated successfully on premature infants weighing slightly over a pound. Some operations have been conducted less than an hour after birth.

Nearly every American university hospital and children's hospital has become a center for minisurgery—and hospital physicians in any given area are familiar with their near-center.

Right after Joey's illness was diagnosed, a call was put in to New York Hospital-Cornell Medical Center. Head pediatric surgeon Dr. S. Frank Redo listened as a New Jersey doctor described the baby's condition. "Get him here as soon as possible," said Dr. Redo.

AMBULANCE TO "ISOLETTE"

Joey was placed in a special incubator for the 40-mile ambulance ride to New York City. Upon arrival, he was transferred to an "isolette," a Plexiglas-covered incubator on wheels, with "portholes" through which staff members can perform blood transfusions, administer oxygen and give other emergency services.

Just six hours after he was born—after undergoing blood tests and additional X-rays, Joey was operated on by Dr. Redo and a team of skilled assistants.

The operation, which connected both ends of the infant's tiny esophagus, was a complete success. There was a time, however, when babies born with esophageal atresia—as well as countless other birth defects—were almost certain to die.

NOTHING IS ROUTINE

"Minisurgery is a relatively new field," says Dr. Redo. "Operations that were considered tremendous undertakings 20 years ago are now relatively routine, although with these cases nothing is really routine."

The concept of major, lifesaving surgery on infants had its beginnings in the late 1930's at Boston Children's Hospital. There, great advances were made by an almost legendary group of pediatric surgeons trained and led first by Dr. William E. Ladd, then by Dr. Robert E. Gross.

According to Dr. Redo, "The Boston group's real accomplishment was the realization that the infant is not just a little adult—that the infant has its own special problems and requires a good deal of special care before, during and after the operation."

Pre-operative care is vitally important in minisurgery, especially, as in Joey's case, when the patient has to be transported from one hospital to another. Says Dr. Redo: "Probably the most significant development in surgery on premature and high-risk newborn patients has been the perfection of transport techniques such as those perfected by our unit."

"The idea is to get the baby safely to the regional center while maintaining the highest quality care," explains Dr. Alvin Hackel, who manages a West Coast interhospital transport system at the Stanford University Medical Center. "When we get a call from one of our 55 referral hospitals we usually dispatch a team consisting of a nurse and at least one highly trained specialist. After consulting with the other doctors, our people take over responsibility for the baby. This is the critical point—from then on the quality of care must be maintained."

FLIGHT FOR LIFE

On their first day on earth, some infants fly over 300 miles to get to Stanford. Many are brought by helicopter to a heliport only 700 feet from the emergency room entrance. Others are brought by airplane, then transported by ambulance.

"The transfer between hospitals should be as quick as possible since complete intensive care is not possible until the baby is at Stanford," says Dr. Phillip Sunshine, program director of the university's Premature Research Center. "The ideal traveling time between hospitals is less than one hour."

Since infants lack the ability to ward off cold and maintain a stable body temperature, they must be transported in a neutral thermal environment. The Stanford transporter provides a comfortable temperature through use of radiant heat warmers, a principle adapted from the Apollo space program.

SAFETY DEVICES

The transporter also has an oxygen ventilation system with a two-to-three-hour oxygen supply, battery-powered monitors for heart rate, fluid intake, blood pressure and temperature; portable rechargeable battery units for the system; and a stabilizing unit to prevent injury to the minipassenger during sudden changes in speed or altitude.

But rapid efficient transportation from outlying hospitals to better equipped and staffed regional centers is only part of the story. For one thing, infants require more precise diagnosis than adults. They obviously cannot explain anything about their condition; even more importantly, though, they are often so weak that their lives can be threatened by merely subjecting them to too many tests. "We make a special point of limiting diagnostic studies on these babies," says Dr. Redo. "We only do whatever is necessary to verify that the patient is in need of surgery."

Intensive care for the newborn includes careful monitoring of all their responses. Babies are extremely susceptible to bacterial invasion. Since fever, the standard adult trouble signal, is often absent, they can run deceptively normal temperatures with serious infections.

Because babies are physiologically very different from adults, they react differently—sometimes unpredictably—to drugs. Therefore, special infant drug doses must be based on superprecise calculations.

ANESTHESIA PROGRESS

The same holds true for anesthesia, and much of the progress in minisurgery can be traced to advances in this area. Special masks about the size of telephone mouthpieces have been created to administer anesthesia to babies.

Other surgical tools have also been cut down to meet infant needs. The minisurgeon's scalpel, for instance, has a normal handle, but a blade less than a half-inch long; and some test tubes used for newborns are no larger than drinking straws.

Some minisurgeons wear special eyeglasses—and even use microscopes—to magnify baby body structures that are barely visible to the naked eye.

Even structures that can be seen are incredibly small. The liver of a newborn infant, for instance, is just 1/20th as big as that of a 5-year-old.

But while minisurgery calls for scaled-down instruments, it requires giant-sized surgical skill. "The minisurgeon needs special training and understanding," says Dr. Redo. "He has to be careful, yet quick. He has to handle tissues with extreme delicacy; and he has to be ready for a variety of problems, because no two cases are exactly alike. In minisurgery, as with surgery on adults, there are standardized approaches, but the actual steps in each operation can be very different. Above all, the minisurgeon has to be thoroughly prepared for surgery that is always of an emergency nature."

Probably the most dramatic and revolutionary minisurgery technique is the use in open-heart surgery of a kind of suspended animation called deep hypothermia. Using icebags and a refrigerated bed, doctors dras-

tically lower the patient's temperature, then stop the heart with an injection of potassium solution. At this point, the patient is legally dead—with no heartbeat, circulation or reflexes, and no electrical signals coming from the brain. While the patient's body functions are temporarily frozen, the surgeon is free to operate without the risk of heavy bleeding or the obstacle of a pulsating heart muscle.

NO DAMAGED BLOOD CELLS

Another great advantage of deep hypothermia is that it eliminates the need for the heart-lung machine, which has made open-heart surgery possible by keeping blood circulating during surgery. In infants, however, the machine, if used throughout an operation, can damage blood cells that no critically ill baby can afford to lose; it also requires several clamps, tubes and connections that further limit the tiny area in which the surgeon works.

The new "icebox" surgery is saving many of the thousands of babies whose lives are in imminent danger each year because of defective hearts.

"We now do complete corrections I would have thought not possible five years ago," says Dr. Robert L. Replogle of the University of Chicago's Wylar Children's Hospital.

A HEART STOPS

One of the leading specialists in deep hypothermia, Dr. Replogle, recently operated on a 5-month-old boy who was born with one lung artery connected to the aorta—the main artery to the body—instead of the heart. The infant's heart was stopped for an hour while Dr. Replogle repositioned the artery. After the correction was completed, the patient was hooked up to the heart-lung machine for the first time. It pumped warm blood through his body, and immediately his heart came back to life.

At least one new diagnostic technique is also reducing the risk in infant heart surgery. Until now, heart disease in babies, as in adults, was diagnosed by catheterization—inserting a flexible tube through the blood vessels and into the chambers of the heart. The tube's progress is monitored by an X-ray as the pressure and oxygen content in the heart's chambers are both monitored. But cardiac catheterization can be a demanding and dangerous procedure with fragile infants on the verge of death.

So doctors are now using a much safer method called echocardiography, which uses high-energy sound waves that are transmitted through the patient's chest and bounced back from the heart, creating an echo picture on a special scope. Echocardiography is expected to be a valuable tool in pinpointing the problems of an estimated 50,000 babies born each year with heart disease, as well as 30,000 babies who are born "blue" because their blood is not getting enough oxygen.

EARLY DIAGNOSIS

"The diagnosis must be done as early as possible," says Dr. Aldo Castaneda of Boston Children's Hospital. "Eventually, we hope to perfect intrauterine diagnosis."

Recognizing a birth defect in an infant that has yet to be born is only one future goal in minisurgery. "There's no question that once the rejection phenomenon is licked even transplantation will someday be possible," says Dr. Redo. "Despite the great strides in this field, many problems still lack total solutions and a good deal of research is needed in several different areas."

"In many ways, minisurgery is still in the pioneering stage. As such, it's an exciting, challenging and gratifying field. You see, we give a baby a whole new life—only hours after its life began."

THE TIME FOR CAMPAIGN REFORM IS YESTERDAY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BADILLO. Mr. Speaker, the continued procrastination of the House in reporting out and voting on an election campaign reform act is unacceptable in this year of Watergate disclosures. The events of the past 2 years have convinced the American people that their Government has been subtly transformed into government by, of, and for special interests. By now the impact of wealthy contributors on Government policies is too well documented to allow us any excuse for delaying further on doing what we can to clean up Federal election campaigns.

The public wants campaign reform. The public expects it. There is now a national consensus for campaign reform everywhere in America with the single exception of the House of Representatives. Instead of cleaning up the Congress to give the voters a contrast to a White House in thrall to campaign contributors, we are witnessing the success of the same moneyed forces in their efforts to keep the doors of Government locked to all but selected special interests. The dillydallying on this top priority legislation is the best proof available that jurisdiction over election laws should be moved to the Ethics Committee as proposed in House Resolution 988.

Mr. Speaker, I want to make it clear to the American people that not all Members of Congress are adamantly opposed to cleaning up the conduct of election campaigns for Federal office. I am proud to be one of more than 150 sponsors of the Anderson-Udall clean elections bill and one of 30 sponsors of the Harrington bill to establish a public fund for Federal election campaigns and to provide strict guidelines for disclosure and expenditures.

The American people want and deserve an accounting for our views on campaign practices that are now held in universal disrepute. The Senate on April 11 approved a good campaign reform bill by a vote of 53 to 32. Many State legislatures have enacted election laws with teeth in them. Once again, the House of Representatives wallows along in the wake of the rest of the country.

Public financing of elections is not a giveaway. The real giveaway comes with sales of ambassadorships, preference in awarding of Federal grants and contracts, selected exemption from antitrust laws, increases in subsidy levels, and a thousand other sub rosa ways in which wealthy contributors can be rewarded.

Mr. Speaker, there is a great deal of agitation around here these days for reforming another branch of the Government. I suggest that we first set our own House in order. The New York Times put the case for election campaign reform succinctly in an editorial just prior to

passage of a bill in the Senate. Let us hope that we are just prior to passage of a bill in the House. The article follows: [From the New York Times, Mar. 27, 1974]

THE TIME IS NOW

Now is the time for a full and fundamental cleansing of the nation's outmoded, corrupt system of financing public elections with private money. Now is the time to break the stranglehold of wealthy individuals and of self-seeking interest groups over the nation's politics. Now is the time to bring into the open sunlight of public responsibility a system half-publicly regulated and half-secret. If Congress cannot reform the nation's politics in this sordid year of Watergate, when will there be a more opportune time?

The campaign reform bill awaiting action in the Senate is an admirable measure. It has bipartisan backing as well as support from ordinary citizens across the country. Senators Mike Mansfield, the majority leader; Robert Byrd, the majority whip, and John Pastore, the party's chief spokesman on this problem, have given the bill stalwart Democratic support. On the Republican side Senator Hugh Scott, the minority floor leader, has been out in front urging action on reform.

The heart of the bill is a sharp reduction in the size of private contributions and, as an alternative, an optional form of public financing. Opposition to this reform concept comes from diverse quarters. President Nixon is opposed. Senator James Allen, Alabama Democrat, who serves as Gov. George C. Wallace's agent in the Senate, is opposed. So are right-wing conservative Republicans led by Senators Barry Goldwater and Strom Thurmond. The biggest danger to the bill is the threat of a filibuster by Senator Allen with the backing of the Goldwater-Thurmond group. But this bluff can be called if Senators Mansfield and Scott remain firm in support of the bill.

As with any innovation, the advocates of reform are vulnerable to the criticism that they are attempting too much. But primaries as well as general elections need drastic improvement; in many one-party states, the primary provides voters with their only effective choice. It would make no sense to reform the financing of political campaigns at the Presidential level and leave House and Senate unreformed.

Rightly or wrongly, Congress as well as the Presidency suffers from a loss of public confidence in this Watergate season. The members of Congress will be making a serious miscalculation about their own political futures as well as the fate of the institutions in which they serve if they revert to business-as-usual. The people sense the need for reform, and the people's sense needs heeding.

The principles underlying the reform bill are simple: Presidential and Congressional primaries would be financed by matching grants. Thus, Presidential aspirants would have to raise \$250,000 in private contributions of \$250 or less before they qualified to receive the matching sum of \$250,000 from the Federal Government. Like climbing steps in a flight of stairs, the candidate would qualify for another quarter-million dollars each time he raised the same amount privately. There would be an over-all limit of approximately \$16 million, half public and half private, for each Presidential candidate in the primaries.

The same principle would apply to House and Senate primaries except that the limit on contributions would be lower—\$100 or less—and each step in the staircase would be lower, \$25,000 in Senate races and \$10,000 in the House. In general elections, the matching principle would not apply. Candidates could finance their campaigns by

public or private funds or any mix of the two as long as they stayed within an over-all ceiling.

The bill would not lock parties and candidates into a novel or rigid arrangement. Rather, it curbs the abuses of private financing and offers public financing as an alternate route to elected office. Since the old private route has become choked with scandal, it cannot—unreformed and unaided—serve democracy's need much longer. Now is the time to provide a public alternative.

WHY NO CLEAN CAR MOTOR?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BROWN of California. Mr. Speaker, I wish to share with my colleagues an editorial from a newspaper in my congressional district. It concerns the actions by the administration and the Congress in dealing with the problem of automotive air pollution. I would only like to make one observation about the contents of the editorial, and that is that the EPA was not acting on its own accord when it decided to let the automobile manufacturers off the hook, but was heeding the will of both the majority views in Congress and the administration.

The editorial follows:

WHY NO CLEAN CAR MOTOR?

San Bernardino County's supervisors became more than a trifle upset last Monday. They became downright angry. Nobody can blame them, for they had something to be angry about.

So do the rest of us.

The supervisors, during a public hearing on new air pollution control proposals, expressed their anger against the federal government for failure to force the production of a non-polluting automobile motor.

Under discussion at the hearing were control measures to reduce hydrocarbon emissions from service stations. Vapors from filling auto gas tanks as well as from delivery of bulk supplies would be kept from entering the atmosphere.

The hydrocarbon reduction is estimated at only three tons a day, or about 1.5 per cent of total emissions in the county. At the same time, 182 tons of hydrocarbons are being emitted from moving vehicles every day.

Yet a truly clean car motor remains to be developed. And this the supervisors wasted no time in pointing out.

Every step that can be taken to reduce pollution of any type is worth taking even though it costs money. No one ever expected cleansing the environment to come cheap.

And anti-pollution regulations must be strict in their provisions and strict in their enforcement. No polluter should be permitted to continue so doing, within the bounds of technology, and reasonable amount of time to employ the technology and to absorb control installation costs.

This applies to the automotive industry and the car engines it produces. Nevertheless, the auto makers have been allowed to delay, to dally, to make implausible excuses. They have been given by the federal Environmental Protection Agency (EPA) extension after extension of the deadline to meet the requirement to manufacture a smog-free engine.

All that they have accomplished is to tuck on devices to the same old engines, devices which can prove difficult to maintain and the effectiveness of which is still unproven.

It is admitted that the automobile is the primary polluter of the atmosphere. Eighty per cent of the eye-smarting, dirty brown muck that fills Southern California air, endangers health, kills or stunts plant life and causes discomfort, comes from autos.

So the automobile engine, as the chief culprit, should be the first target for air pollution control. Instead, the EPA appears ever willing to concentrate on other polluters and be far too lenient with car makers.

The supervisors and the county Air Pollution District are doing the best they can to wrestle with the problem of pollution control with the means available to them. But they can't make clean motors or exert any influence on manufacturers to produce clean motors.

Supervisor James L. Mayfield directed his anger at the Congress, which manifestly has the power to prod both the EPA and the auto industry.

"The blame is with 535 congressmen," he said at the hearing, "and I'm not going to sit here and be a fall guy for them."

Neither should the public.

Skies will never be completely free of poison—even if all stationary pollution sources are cleaned up—unless the problem of the dirty car motor is solved. They simply cannot.

Consequently, further delay in forcing the automotive industry to design the smog-free engine—and it can if it has to—must not be allowed. The EPA and the Congress better stop fooling around, get down to business and see that the car makers stop fooling around and get down to business.

THE NEED FOR AN ECONOMIC PLANNING BOARD

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. HARRINGTON. Mr. Speaker, some months ago, I inserted an article by Wassily Leontief in the CONGRESSIONAL RECORD, setting forth his arguments with regard to our need as a nation for a capacity to realistically plan various aspects of our development. Since that time, Senator NELSON has introduced legislation, which I introduced in the House as H.R. 15129, to at least begin to establish the kind of information system that will be the necessary first step in developing a planning capability.

An interview with Professor Leontief appears in the July-August issue of Challenge, further elaborating on his views, and it seems to me his comments are sufficiently wise and timely that they deserve the attention of all my colleagues. Therefore, I would like to insert the interview in the RECORD at this time.

The text follows:

WHAT AN ECONOMIC PLANNING BOARD SHOULD DO

(Interview with Wassily Leontief)

Q. In your article in the *New York Times* of March 14, you comment on Herbert Stein's suggestion that we possibly should have a national planning board. You say: "... if in place of the powerless and understaffed Council of Economic Advisers we had had a well-staffed, well-informed and intelligently guided planning board, the mess in which the country finds itself today could have been avoided." This implies that great things can be expected of a planning board. What would a planning board be capable of doing and what would it not be capable of doing?

A. I do not think that planning is an easy and simple matter. Planning is possibly one of the most ambitious things society can undertake in the economic field, and one cannot expect instant success. The practical approach must be gradual. I would visualize that the first steps might consist simply of analyzing the operation of the economic system, simply of getting at the facts and presenting the picture as it evolves. But not in terms of a few general indices. There is too much emphasis nowadays on attempting to describe the state of the economy in terms of a few indices such as price level, employment, savings and GNP. There is also great pressure now to use social indices. I'm skeptical about the usefulness of very aggregative, essentially symbolic descriptions of the state of the economic system. It can be effectively explained only in terms of rather deep-lying details. For example, you cannot deal with various aspects of technological development, trends in different industries, and the now very fashionable problems of resources and pollution in aggregative terms. As a matter of fact, the problem of inflation cannot be dealt with in aggregative terms either. If you had inflation in which all prices and incomes moved in parallel, nobody would care. Actually inflation is a change in relative prices, not just in the average price level.

Q. You're talking about the question of information. What kind of information do we need? Or, to be specific, what kind of information does a planning board need to be effective?

A. I would like to describe and measure the flow of goods and services among all the different sectors of the economy, the state of equipment, the structure of the labor force, and prices in very great detail, so that looking at the entire picture, we would see what is happening in each sector, physically as well as financially. The planning board must have a detailed and at the same time fully integrated picture, not just disjointed pieces of information. It must know what is happening in the economy from day to day, month to month, and year to year.

Q. How much of this information do we have now?

A. When you say we, that raises a question. As a matter of fact, various people have access to separate chunks of the requisite data. Most of this information is in the hands of private businesses and public organizations which control a large part of our economy. The first and foremost task of the planning—or rather monitoring—board would be to fit together the pieces of this jigsaw puzzle so that a clear, detailed picture of the entire system emerges.

Q. If a planning board were in possession of this detailed information about the economy, what would it do with it?

A. Three years ago we might have discovered that our refining capacity was not sufficient to provide American users of various petroleum products with amounts they would like to buy at the existing prices.

Q. Certainly we were in possession of this information. We knew, or at least some people knew, that there was a coming shortage of refining capacity. So it isn't a lack of information that's at issue but a lack of reaction to that information. The government had that information. What would a planning board add to the picture?

A. Possibly some people spoke about it, but the word was never spread in precise, incontestable terms. A planning board would provide official information which everybody would have to pay attention to. And, of course, a planning board would not only provide information, but also draw conclusions about the future course of development, assuming inaction or alternative courses of action.

Q. There are other countries, such as France and Japan, that have large planning boards. Weren't they in possession of the information concerning the oil shortage? And if they were, why didn't they react to the situation? They were taken unawares; they paid the penalty of inaction just as we did, even though they had large planning boards.

A. As far as I understand it, Japan and Europe were not hit the same way we were. They were hit by the embargo of the Middle Eastern oil producers. We are hit not so much by the embargo as by the shortage of domestic refining capacity. That is why our petroleum industry tells us that we still have trouble even though the embargo has been lifted. Considering what happened in Europe when the embargo hit and what happened here when we experienced a small shortage, the comparison comes out very favorably for Europe and very unfavorably for us. Europe was really much less disorganized than we were.

Let me add this observation. I was rather amused to read about the encounter between Mr. Kissinger and French Foreign Minister Jobert in Washington last February. It was a peculiar situation. Mr. Kissinger was arguing for international planning while representing the country which does the least internal planning of any in the West, and manages the little it does in a most haphazard manner. If Mr. Jobert agreed to plan petroleum collectively and asked Mr. Kissinger to put his cards on the table, Mr. Kissinger wouldn't have any cards to put on the table. He has no power to control the internal situation, and, even if he had such power, the U.S. government has no factual information on the basis of which he could exercise power in an intelligent, systematic way. During my recent stay in France, I found a very good system of administrative and economic controls, backed up by a well-organized data system. The French government is much more aware of what is happening in the French economy than we are of what is happening in ours. So-called indicative planning has often been pooch-pooched. Actually, it provides the French government particularly the Ministry of Finance, with very detailed information and effective control over the French economy. So when Mr. Jobert essentially said, "Look here, we don't want to much international planning," I think he said it because he felt confident about France's ability to compete with other countries from a pretty firmly and rationally managed domestic base.

Q. That sounds a bit ironic after France suffered from the oil embargo. The implications of your previous remarks is that the best of planning within national boundaries has to be frustrated if that planning doesn't extend internationally. Countries that are heavily engaged in international trade are dependent on various commodities that they import, and if they can't rely on those, then the planning system is frustrated, is it not?

A. Yes, uncertainty about foreign supplies and outlets is undoubtedly important. But admitting that one operates in a world of uncertainty, one can avoid the pitfalls and take advantage of the changing international situation if one can operate from a well-managed domestic base. I think this is the attitude of Soviet Russia. Soviet Russia is known to operate quite effectively in the world market. Look at Soviet agriculture and large-scale industrial production. While the Russians are quite inefficient in the organization of production at the microlevel, they have the overall domestic economy rather well under control, and thus can take advantage of unexpected opportunities on the world markets. They can respond to changing external conditions much better than countries that are not well organized at home.

Q. Let's consider the Council of Economic Advisers (CEA). What are its shortcomings and what would you like to see an expanded planning board be able to do that the present Council of Economic Advisers cannot do?

A. The present Council of Economic Advisers is not in a much better position to know what actually is going on than any private academic economist with a small research staff. The information it has about the economy is summary and approximate, not much better than that possessed by a professor at Chicago or Harvard. The kinds of recommendations it can make are limited to the classical Keynesian variety. There are about three or four variables it can manipulate—the government budget in the aggregate, certain aspects of taxation, certain aspects of monetary policy—and that's all. When members of the CEA are asked for advice on some particular problem, they usually don't have the necessary information on hand. What they have to do is ask somebody to research the thing. The fellow who researches it possibly has three or four assistants and usually has to call up somebody on the outside. They don't have on hand as full a picture as, for example, the Ministry of Trade has in Japan, or Professor Malinvaud, the head of research in the French Ministry of Finance, has when he is advising Giscard d'Estaing.

Q. But if the Council of Economic Advisers has aggregate information about the economy, why does it need detailed information? Can't the operation of the market serve the regulatory function of bringing about balance in the detailed aspects of the economy?

A. The market is indeed a marvelous machine. It operates like a large automatic computer. As contrasted with amateurs who have only discussed them, anybody who has had practical experience with large automatic computers knows that these complex mechanisms break down a couple of times a day and that you must have repairmen standing around all the time fixing up this and fixing up that. The idea that you can feed a problem into the computer at five o'clock in the afternoon before going home and find the answer neatly printed out in the morning is quite incorrect. Experience with automatic computers shows that you cannot rely on them to solve all your problems automatically. By the same token, you cannot rely on the competitive economic system to solve all your problems automatically either. You need a very large crew of troubleshooters on a standby basis. And mind you, a repair crew must know exactly how an engine is constructed and how it operates.

Now this is much more than a superficial analogy. Many proponents of the "competitive solution" of all economic problems are as naive as those who assume that if you can get hold of an automatic computer, you can rely on it without any knowledge of what goes on behind those whirling discs inside.

Q. My understanding of cases where detailed planning has been attempted—and this could be either indicative as in France or imperative as in the Soviet Union—is that the lag in the connection of information, and the sheer weight of all the detailed information that has to be collected in attempting to direct the economy, makes this kind of computing operation just as bad as, if not worse than, the computing that the market itself does.

A. I have a feeling that simply bringing out a systematic, detailed description of the current state of economy and analyzing the figures could have very beneficial effects. The next step would be to collect information systematically about investment decisions, employment decisions, decisions about technology, and the like, made by private corporations as well as by all kinds of public bodies. I think that simply putting together such fully coordinated, systematic information, in-

stead of relying on all kinds of casual surveys, would improve the efficiency of our system.

Let me say that if this country were to undertake such large-scale monitoring operations, we would go about it much more efficiently than many other countries do. Planning is a technical problem, and we pride ourselves—rightly so—on handling technical problems well. Observe what happened in the Soviet Union. From what I can see, the most successful planning in the Soviet Union is done in some of the Baltic Republics. There, the central planning boards seem to be quite effective in using modern computers and analytical techniques. Why? Because the cultural level of the entire population is higher and management operates with greater skill. America builds highways more efficiently, organizes industrial production more efficiently and does its marketing more effectively than other countries. Why shouldn't we be able to collect economic information and utilize it more efficiently too?

Q. Perhaps we should clarify whether you're advocating imperative planning or indicative planning for the United States.

A. At the present time, I would not advocate imperative planning for the United States except in those areas in which we already have a great deal of governmental regulation. In fields like communications, transportation, and agriculture, which are already subject to direct government action, with better information and more systematic analysis, such guidance would be much more effective than the kind of ad hoc, uncoordinated operations the government is conducting now.

It's quite understandable that business does not like any type of outside intervention. Business, however, is not as delicate a flower as its spokesmen would like us to believe. The implication is that if you just breathe on it in the wrong way, it will wilt. No, private enterprise is robust and it will pursue profits if there are any to pursue. You may restrict its freedom in one way or another, but as long as there is a gleam of profit at the other end of the narrow tunnel, business will pursue it. So I'm not afraid that regulation will cause business to give up. It will use all its imagination, capacity, and drive to function effectively within the limits imposed by public authority.

Q. You've raised several questions. First of all, about indicative planning. If you take the case of France, the Commissariat au Plan does make detailed information available, but the fact is that the information is often disregarded by industry. I believe Renault at various times has exceeded the projections for production in the automobile industry. Doesn't this undermine the value of indicative planning? As a matter of fact, I've heard it argued that indicative planning in France has not been successful, that it's the bullying behind the indicative planning that has been successful.

A. Oh, yes, I'm not against bullying; but you can bully much better if you know what pitfalls are to be avoided and in what direction you want the economy to go. I realize full well that it will not be easy to be a little more systematic in directing our complex economy. In the beginning the results won't be very brilliant, but conditions will be even worse if we go on muddling through as we're doing now.

Q. Another point I want to ask you about. I don't understand your praise of Soviet planning when at the same time you say that profits should be the indicator of business success. The Soviets have quite a few other indicators besides profit, and this really creates a muddle of red tape and inefficiency.

A. Nothing is further from my mind than the notion that the profit motive, or, in a wider sense, self-interest, can be replaced by centralized decision making. The profit motive is the wind that fills the sails and

propels the vessel. The helmsman knows how to use the rudder to make the vessel move in the direction in which he wants to go. Milton Friedman repeats again and again that the profit motive is the powerful driving force that moves our economy, and I agree. But he also insists that we abandon the vessel to the whim of the wind, and let it go in the direction in which the winds happen to be blowing. Follow his advice and the ship will very quickly land on the rocks. I say: use the profit motive, but control it to move the economy in the direction you want to go. And to fix your course, you must have maps and charts.

Q. All right, let's go back to France. The French have indicative planning, but they haven't succeeded in doing anything about inflation. Is this beyond the powers of a planning board? What can a planning board do and what can it not do?

A. Among the so-called free nations, Japan and France have used a kind of indicative planning for the longest period of time. Both are among the fastest moving countries. The spectacular sustained growth of Japan is well known, and in recent years France has been the fastest growing economy in Europe. This does not prove, of course, that planning was the cause of prosperity and growth. But certainly planning didn't prevent it; I think it helped.

As far as inflation is concerned, my view is that inflation is quite unavoidable in free exchange economies. The Keynesian prescriptions essentially enhanced the rate of inflation. Nobody can stop inflation unless the whole economic system is changed in a drastic way. The only country in which I have seen no sign of inflation is China. Why? Because there obviously the entire monetary mechanism plays a minor, subordinate role, and the operations of the economy are guided by direct physical controls. In modern economies where money plays a major, active role, there's a ratchet effect. Nobody ever likes to reduce prices. Whenever relative prices get out of line, those that are low, relatively speaking, go up. Inflation seems to be an unavoidable feature of the system.

Q. This greatly curtails the power of the planning board in Western countries, does it not, because inflation is very disruptive.

A. We can discuss how disruptive inflation is. It would be most desirable to have no inflation, but there are other things in the economy which can be equally or even more disruptive than inflation. The long-standing claim of economists that they knew how to control inflation is an empty pretense. By now most of us agree that we don't know how to make good the claim. The steady, long-run, upward-rising trend is impossible to control because of the ratchet mechanism built into our social-economic system that makes it advantageous to create money—advantageous, that is, despite all the protestations to the contrary, to some of the most powerful and important groups in our society.

Q. Should we be willing to live with inflation?

A. I suppose we will live with it whether we are willing or not. We might as well be willing. Not that I like it very much. But one reason why economists are in such disrepute is that they have pretended to understand inflation and to know how to control it when obviously we do not.

Q. What is the mix between planning and the market that you think would be appropriate in a country like the United States?

A. One must proceed empirically. First of all, one must secure a solid data base—a map describing the terrain. One must create a governmental body with enough resources and sufficient power at its disposal to collect and analyze these data. This task cannot be carried out without close cooperation with industry and labor. Planning

can be introduced only step by step, starting with the fields in which the government already is heavily involved, such as taxation, environment, transportation, and now, obviously, energy.

Q. How would a planning board determine priorities?

A. I happen to be very skeptical of the idea—which many theoretical economists advance—of a national "objective function," defining national goals as a well-ordered set of national priorities. By analogy with an individual "utility function," it supposedly could provide a guide to fine-tuning economic decisions. I don't think that an economist qua economist has any more competence to choose national goals than any other citizen. What an economist should be able to do, however, is to outline the choices. If a friend were to invite me to dinner in a restaurant and say, "Wassily, will you please describe your tastes to me so that I can order the appropriate dishes?" I would reply, "Never mind the description of my tastes. Just show me the menu and I will select the dishes myself."

Q. So the priorities are determined by a political process.

A. Absolutely.

Q. If you invite the participation of both business and labor, you are going to have conflicts over the plan.

A. Certainly you will have conflict. We have conflict now, only at the present time it's resolved by a kind of cheating process. Politicians and even economists make promises which they cannot possibly fulfill. We should at least be able to present feasible—that is, practical—alternatives.

Q. Would the planning board simply play a passive role in drawing up a menu? Or would it have the power to decide what hors d'oeuvres you're going to have?

A. Just as with tax legislation, the final decision has to be made by the Congress. The choice of the measures or the course of action designed to achieve certain objectives should definitely not be within the competence of the planning board. The planning board, after analyzing the situation, should present the government, and ultimately the public, with a set of feasible alternatives.

Q. At present we have the Council of Economic Advisers, the Federal Reserve, the Office of Management and Budget, and the Treasury. Would you combine their powers in some way or would you leave them alone?

A. I believe that the adversary procedure which dominates in Washington in all fields, including economics, is ridiculous. Whenever an economic decision has to be made, the ascertainment of the facts is left to experts representing different groups of people with mostly opposing interests. Each expert is expected to present the facts conducive to the acceptance of the goals of his political or economic backers.

I would concentrate the fact-finding function as much as possible in the hands of an overall organization, call it a planning board or the fact-finding arm of the planning board, and put it under a bipartisan committee of the Congress or even make it independent like the Supreme Court. Let other departments make the specific practical proposals, utilizing the same basic factual information as much as possible.

The trouble is that we prepare the factual analysis on which to base the choice between alternative courses of economic policy in the same way as the two opposing sides prepare their evidence for adversary court proceedings.

Q. But as long as we have competing interests in our society, we're going to have advocates within the government for those interests. You don't suggest that we can sidestep that, do you?

A. Absolutely not. I try to be extremely practical and I know we will always have contesting interests. However, I think we can begin to establish certain rules of the game. Let them push for their particular solutions, but let us at least ascertain that each of these solutions can really be implemented in practice. As things stand now, each of the opposing interest groups usually promises results that an objective analysis of the situation would show to be unachievable.

Q. Just one last question. What would be the length of the planning period? Would a planning board plan both for the short range and the long range?

A. I would be inclined not to meddle with the short range. However, the information which a planning agency possesses should be put at the disposal of anybody who makes short-range decisions. Describing the alternative possibilities, I would center attention on the medium range, that is, three to five years, and the long run, say, ten to twenty years and beyond. The latter is particularly important because the effect of many of the most critical economic decisions taken now will surface only during our children's lives or the lives of our children's children.

PITTRON'S SILVER ANNIVERSARY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. GAYDOS. Mr. Speaker, I was privileged to participate in a recent observance of the 75th anniversary of one of southwest Pennsylvania's oldest and most successful industrial plants—Pittron of Glassport, Pa.

The 3-day event, June 7 through June 9, was hosted by Mr. George V. Hager, president of Pittron, and had as its theme: "The Value of the Person in Industry." Several prominent figures in management, labor, and government took part in the proceedings.

Among them were men of such caliber as Mr. D. C. Burnham, chairman of Westinghouse Electric Corp., the keynote speaker; the Honorable Ernest P. Kline, Lieutenant Governor of the Commonwealth of Pennsylvania; Dr. Don Nobers of the Beaver-Butler Mental Health Center; John S. Johns, vice president of USWA; Joseph Odorcich, director of District 15, USWA; Samuel L. Piccolo, president of Local 1306, USWA; Shelby Rowe, chairman of Civil Rights Committee, Local 1306.

Wayne T. Alderson, vice president of operations at Pittron; Don Mains, president and owner of Canton Malleable Iron Co.; Jack Weisgerber, director of communications, Pittsburgh-Wheeling Steel; the Reverend Gilbert Hoffman, superintendent of Pittsburgh District, United Methodist Church; the Reverend Edward Bryce, director, Peace and Justice, Diocese of Pittsburgh; the Reverend Dan E. Bastin, director, Urban Industrial Ministry.

Pittron's history in southwest Pennsylvania dates back to 1899 with the start of a steel foundry on the banks of the Monongahela River at Glassport. The plant, Pittsburgh Steel Foundry was des-

lined to become one of the largest in the Nation.

Starting with 50 employees, the foundry grew rapidly in the early part of the century. It was incorporated in 1925 and during the peak of World War II, over 3,200 men were employed and up to 4,000 tons of casting were shipped each month. In addition to direct military work, the plant also produced castings for a duplicate set of locks for the Panama Canal.

In 1959 Pittsburgh Steel Foundry joined the Textron Inc. family and in 1968, because of its wide diversification of work, the company name was changed to Pittron. Its half-mile long plant on the original site is one of the largest and best equipped foundries in the world. Casting weights now range from 5,000 pounds to more than 200,000 pounds.

Pittron has attained a unique position in the metal working industry through a dedicated work force and management staff. Teamwork, unity of purpose, facility improvement and technical expertise assures Pittron's growth.

In dedicating a new park at the plant site, Mr. Hager set the tone for the future when he said it reflects the sincere interest of the company in improving the image of industry in society. Mr. Hager observed:

Our interest in social, civic and cultural activities must and will be a continuing factor if we are to continue our role as a good neighbor in Glassport.

Mr. Speaker, on behalf of my colleagues in the Congress of the United States, I extend to Mr. Hager, the officers and employees of Pittron, our congratulations on a memorable occasion and our best wishes for the future.

RESPECT FOR OUR NATIONAL ANTHEM

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. WYMAN. Mr. Speaker, in my native State of New Hampshire, citizens almost universally stand up upon the playing of our National Anthem. Distressing however, this apparently is not the case throughout the country.

Perhaps those attending the theater do not feel it incumbent to rise at such time. That this offends some is shown in the excellent letter of protest submitted to the editor of the Shreveport Times by Margaret Chellman of Barksdale Air Force Base.

I commend Mrs. Chellman for the quality of her objection and for taking the time to translate something she felt in her heart into words and acts directed toward "doing something about it."

The letter follows:

EDITOR,
Shreveport Times, Shreveport, La.

DEAR SIR: I had a very upsetting experience last evening, that I think should be shared with all. My husband and I were attending the Broadmoor Theater; I went

into the theater while my husband bought some candy. Upon entering, I heard the Star Spangled Banner our National Anthem being played, and to my amazement all those in the theater were seated. I walked in and said didn't anyone knows that one was to stand when the National Anthem is being played. At this I received many turned heads; one gentlemen said "yes" and stood, after him 2 or 3 rows of people stood. Standing there I could not believe what I had seen.

I commend the theater for playing the National Anthem, it is one of the few who do so, but I could not understand the people. To these people I say "shame" and I pity them. Where is their love of country and respect for all it's symbols. Were they ignorant of the fact that they should rise, but surely they had all been to school, and when I attended this we were taught. Or was it laziness or a couldn't care less attitude? I shudder to think it is the latter, for if that is true something is very wrong. If we don't care and have respect for ourselves as a nation, then who will? We are a great nation and its people should be proud, but today most of our citizens can only find ways to tear this country apart. I believe what Lincoln said "united we stand divided we fall". After all, "we the people" make up this nation and what it stands for. Being patriotic is not being square, it is believing in a way of life and trying hard to make it work and being proud of our endeavours. If we err, it only proves us human.

I thank you for taking the time to read this letter. I hope somewhere, sometime you will take time to print something of the patriotic duties of a citizen.

Sincerely,

MARGARET O. CHELLMAN.

RESULTS OF PUBLIC OPINION POLL OF OHIO'S 17TH DISTRICT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ASHBROOK. Mr. Speaker, tabulation of my 14th annual opinion poll of the residents of the 17th Congressional District of Ohio has just been completed. Once again the response was excellent. Hundreds of letters, notes, and marginal comments were included with the completed polls. I appreciate my constituents' response to the questionnaire as it is one more method of getting their views on a number of the issues facing this country.

The poll once again attempted to cover a wide range of domestic and foreign policy issues. As I have often said before, representing the people of the 17th Congressional District is a two-way street. Having the benefit of their views on the issues covered by this opinion poll, as well as thousands of comments on a variety of other topics, works to our mutual advantage.

1974 PUBLIC OPINION POLL OF 17TH OHIO DISTRICT

[Answers in percent]

1. Do you believe the energy crisis is:
 - a. An artificial crisis, falsely created by the oil companies to increase their profits, 42.
 - b. A genuine crisis, for which the oil companies should not be blamed, 2.

c. A genuine crisis, caused by misguided governmental policies, 4.

d. A genuine crisis, caused by a combination of factors including international and political as well as mistakes of government and the oil companies, 52.

2. In face of the current and impending energy shortages, do you favor these possible courses of action?

a. Reduce Environmental Protection Agency air quality standards to allow increased burning of coal and/or atomic energy, 41.

b. Increase the domestic oil depletion allowance as an incentive for oil exploration, 16.

c. Deregulate the price of natural gas, 7.

d. Reduce new car emission standards, 29.

e. Ration gasoline by issuing Federal coupons, 4.

f. Control retail prices in the petroleum field, 30.

g. Roll back gasoline prices by law, 35.

3. Wage and price control legislation will expire on April 30th. Should the Congress: (Check one)

a. Extend the present legislation, 12.

b. Make wage and price controls tougher, 22.

c. Not extend because wage and price controls have failed to halt inflation, 62.

4. A national health program for all citizens: (Check one)

a. Should be established and operated solely by the Federal Government, 26.

b. Should be established by the Government but operated through private insurance and medical organizations, 39.

c. Should not be established, 30.

5. Would you favor a reduction of government services and a corresponding tax decrease? Yes 76, no 18.

6. In 1973, the Supreme Court ruled that abortion was legal in most circumstances when the woman and doctor approve. What is your opinion? (Check one)

a. I agree with the Supreme Court decision, 49.

b. I favor a constitutional amendment outlawing abortion except in cases of extreme potential health danger to the mother, 36.

c. I favor outlawing all abortion, 7.

d. I favor a constitutional amendment which will allow each state to decide on the abortion issue, 8.

7. Legislation has been considered at all levels of government to regulate land use. Which policy would you prefer?

a. Strong Federal restrictions on use of all land, 9.

b. Federal guidelines with control at State level, 34.

c. Local and State government control only, 50.

8. Should Congress restore the death penalty for the most severe crimes? Yes 80, no 17.

9. Should the United States convert to the metric system? Yes 30, no 61.

10. Should action be taken on a Federal level to comply with the report issued by the President's Commission on Marijuana and Drug Abuse calling for decriminalization of marijuana possession, but keeping penalties for sale of the substance? Yes 44, no 48.

11. Should a newsman be required to testify in Federal court and disclose his sources of information on matters that jeopardize national security? Yes 52, no 45.

12. Do you approve of the "voucher concept" for educational assistance whereby a voucher representing the average per capita cost of educating each child may be spent by the parent at any public or private school? Yes 40, no 47.

13. In 1970, under the Postal Reorganization Act, the U.S. Postal Service became an independent establishment, and daily operations were, for all intents and purposes, re-

moved from Federal or Congressional control. How would you rate your postal service? (Check one)

- a. Improved service, 11.
 - b. Same service, 49.
 - c. Worse service, 40.
14. Should amnesty be granted to those who left the country during the course of the Vietnam conflict to avoid the draft and, if so, under what circumstances? (Check one)
- a. Amnesty if he returns and completes his military service, 22.
 - b. Amnesty if he returns and completes a period of alternate service, 30.
 - c. Unconditional amnesty should be granted, 6.
 - d. No amnesty under any circumstances, 40.
15. Do you think that governmental officials in Washington, D.C., have the right to inspect doctor's medical records of their patients? Yes, 17; No, 80.
16. Should the United States continue to give economic and military aid and support to South Vietnam? Yes, 29; No, 66.
17. Should the United States attempt to maintain military superiority over the Soviet Union? Yes, 78; No, 17.
18. Should the United States maintain its perpetual sovereignty and control over the Panama Canal and the Canal Zone? Yes, 79; No, 13.
19. What do you consider the three major issues facing our country? (Rank in order of importance, check only three)
- a. High prices, 65.
 - b. National defense, 27.
 - c. Energy problems, 33.
 - d. Shortages, 20.
 - e. Unemployment, 16.
 - f. Watergate, 20.
 - g. Excessive governmental spending, 55.
 - h. Expanding governmental regulation, 18.
 - i. Tax reform, 20.
 - j. Foreign policy, 7.
 - k. Other, 5.

BASF WYANDOTTE CORP. EDUCATIONAL RESOURCE PROGRAM

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. DINGELL. Mr. Speaker, pursuant to permission granted, I insert into the RECORD an excellent analysis of the BASF Wyandotte Corp. educational resource program, recently started by BASF Wyandotte to make additional resources available to schools through the utilization of the able personnel of that fine corporation.

The future of the Nation lies within its youth and their education. It follows, therefore, that a major portion of our efforts should be directed at improving the education process and providing greater access to it for all. We demand this from professional educators and hope for it from those who receive the benefits of the system. It is highly commendable when new initiatives are developed in the business community by those who are not directly involved in education but who perceive their responsibility to contribute to the education of others.

BASF Wyandotte Corp. of Wyandotte, Mich., has started a new program which other businesses might want to follow. The program is quite simple and

straightforward. Called the educational resource program, the basic idea is that the company has a number of people who have knowledge and skills that can be valuable to the education of young people. Much in the same way that teachers use libraries to obtain reference material on specific subjects, BASF Wyandotte's educational resource program provides people who, because of their own education and achievements, are sources of valuable information for classroom use.

Briefly, this is how the program operates.

First. The company makes available to teachers for classroom presentation employees with special academic achievements and skills who have volunteered to participate in the program.

Second. Teachers are given information outlining the subjects, grade levels, curriculum relationship, and education and professional experience of each resource person.

Third. The teacher reviews the subjects that are relative to the curriculum in terms of both content and timing. Resource persons whose subjects meet these criteria are invited by the teacher to make classroom or school laboratory presentations to the students.

In effect, BASF Wyandotte is providing teachers with the means of enlarging the classroom by including work-experience exposure from the company's leading scientists, engineers, chemists, and business managers.

An expansion of this enlightened concept by other companies, organizations and institutions will narrow the gap between generations and help fulfill our hopes for the future.

The analysis of the BASF Wyandotte Corp. educational resource program follows:

EDUCATIONAL RESOURCE PROGRAM

(By BASF Wyandotte Corp.)

DEAR TEACHER, BASF Wyandotte Corporation has developed an Educational Resource Program to bring to your students in the classroom the knowledge and expertise of leading scientists, engineers, chemists and business managers.

This program provides you, the teacher, with a most reliable resource for information in curriculum areas not normally available through text books or other sources.

Briefly, this is how the program works.

1. BASF Wyandotte will make available to teachers for classroom or laboratory presentations individual employees who have offered to participate in the program.

2. In the pocket of this folder are outlines on the subjects, grade levels, curriculum relationship, education and professional experience of the BASF Wyandotte resource persons. Included is information on whether the subject can be developed in the classroom or laboratory and what, if any, special equipment is needed. Publications and films available from BASF Wyandotte are listed as an additional source of information on the company and its activities.

3. The teacher should review the subject areas that relate to the curriculum in terms of its content and timing. If there is a subject and a resource person that meets these requirements, contact should be made directly with him to arrange a time that would be acceptable to both the teacher and the lecturer. Requests should allow for at least two weeks advance notice, or more when possible. The teacher is also asked to keep in

mind that all of our resource persons are working full time for BASF Wyandotte and that they are participating in this program as a personal commitment to the educational community. We would hope, too, that because of the experimental nature of this effort that everyone will understand that there will be times when the resource person will be unable to fill requests because of other commitments.

BASF Wyandotte Corporation sincerely hopes that this program will assist teachers in providing their students with an enriching education experience. We look to the program as a means of broadening our contact with the educational community and building a better understanding.

D. H. AMBROS, *President.*

SUBJECT: BUSINESS DEVELOPMENT

Curriculum and grade level

Twelfth grade students whose curriculum includes studies in economics and social sciences.

Abstract

1. Product cycle.
2. Business development outline through marketing research, production and sales.
3. Student relationship.

Classroom equipment requirements

Viewgraph projector (to be provided by the school).

Resource person

E. S. Mylis, B.S. in Chemistry, Detroit University; graduate work at University of Toledo and Wayne State.

SUBJECT: CHEMISTRY

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

1. Food and beverage processing.
2. Chemical cleaning of food processing equipment.

Classroom equipment requirements

Viewgraph projector and Slide projector (3/4 x 4") (to be provided by the school).

Resource person

Otto T. Aepfl, B.S. in Chemistry, Towne Scientific School, University of Pennsylvania; M.A. in Chemistry, Temple University; holder of 18 U.S. and foreign patents; author of 10 scientific papers.

SUBJECT: CHEMISTRY

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

Discussion and demonstration of urethane foam preparation. Lab preparation would be actual foaming of semi-flexible or rigid foams.

Classroom equipment requirements

(To be provided by the school)

Slide projector and screen.

Lecturer will provide materials for laboratory demonstration.

Resource person

R. L. McBrayer, B.S. in Chemical Engineering, University of Colorado; graduate work in Chemical Engineering, Wayne State; member: American Institute of Chemical Engineers, Naval Reserve Association, and Defense Preparedness Association.

Holder of four U.S. patents and has extensive experience in making presentations on urethane foams to student and youth groups.

SUBJECT: CHEMISTRY

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

1. Example of processes of applied chemistry in invention and development of a new product.

- a. Recognition of problem.
- b. Definition of problem including requirements of new materials.
- c. Definition of the properties required and how to test for them.
- d. Testing program (and synthesis program).
- e. Final solution.

2. Example of the processes of applied chemistry in the improvement of the product, adaption to different requirements and invention of similar products to serve the same purpose.

Classroom equipment requirements

(To be provided by the school)

Blackboard.

Resource person

J. F. Maxwell, B.S. in Chemistry; M.B.A. in Administrative Science; 16 years experience in industrial research on lubricants and functional fluids; past president, American Society of Lubricant Engineering (Detroit).

SUBJECT: CHEMISTRY

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

1. Chemical Specialties Industry—Discussion of the chemicals used and the applications of these products in the industrial and institutional field.

2. Metals talk: "Relating the Heat Barrier to the Development of Aerospace Metals."

3. Collection of metal specimens.

Classroom equipment requirements

(To be provided by the school)

Blackboard.

Resource person

P. N. Burkard, B.S. in Chemistry, University of Illinois; M.S. in Chemistry, Syracuse University; 35 years with BASF Wyandotte in Research, technical service and sales.

SUBJECT: CHEMISTRY

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

1. Job opportunities in chemical specialties.
2. Marketing of chemical specialties.

Classroom equipment requirements

(To be provided by the school)

Blackboard.

Resource person

Richard J. Hamilton, B.S. in Chemistry, Central Michigan University; 1965-68, Dow Chemical, Chemical Engineering Process; 1968-72, BASF Wyandotte Technical Services; 1972-present, Marketing Manager, Food Services Department, Chemical Specialties Division; holder of six patents in chemical processes.

SUBJECT: CHEMISTRY (CHEMICAL ENGINEERING)

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

Chemistry and Chemical Engineering involved in manufacture of soda ash, ethylene oxide, ethylene glycol, diethylene glycol and antifreeze—Quality Control.

Technical Service—Transportation emergencies.

Classroom equipment requirements

(To be provided by the school)

Blackboard.

Resource person

J. F. Yaeger, B.S. in Chemistry, University of Detroit; 5 years Soda Ash Manufacturing; 6 years Organic Technical Service.

SUBJECT: MANAGEMENT SCIENCES

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of business or mathematics.

Abstract

Problem solving and computer applications including student participation in critical analysis.

Classroom equipment requirements

(To be provided by the school)

Slide projector and screen; blackboard.

Resource person

Alex Markin, B.Sc., M.Sc. in Chemical Engineering; published two papers on Chemical Engineering.

SUBJECT: MICROBIOLOGY IN WATER POLLUTION CONTROL

Curriculum and grade level

For students at the junior and senior high level whose curriculum includes courses in the field of science.

Abstract

Discussion of the role played by bacteria in keeping the environment clean, with special emphasis on biodegradability, its measurement and the activated sludge process.

Classroom equipment requirements

(To be provided by the school)

None.

Resource person

L. E. Kuentzel, Ph.D., University of Colorado; 32 years research with Michigan Alkali—Wyandotte Chemicals, BASF Wyandotte; currently Head of Biodegradable Laboratory and Research Associate.

SUBJECT: MICROBIOLOGY

Curriculum and grade level

For students at the junior and senior high level whose curriculum includes courses in the field of science.

Abstract

A general comparison of microbial to higher life forms or selected topics in environment, sanitary, or industrial microbiology dependent on course grade level.

Classroom equipment requirements

(to be provided by the school)

Blackboard.

Resource person

Donald F. Garvin, B.S. in Biology; M.S. in Microbiology; Work Experience: 14 years in medical bacteriology and public health; 7 years in sanitary and industrial microbiology; professional membership: American Society of Microbiology.

SUBJECT: THE PHYSICS AND PSYCHO-PHYSICS OF COLOR

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

1. Presentation on the basic physical explanation of the laws and properties of color. A development of the tristimulus equations and concept and the ICE standard observer concept is made.

2. Short discussions of various types of spectrophotometers and the essential difference between additive and subtractive color analysis.

3. Brief coverage of the physical basis for certain psychological response to color and combinations of color—short coverage of the anatomy behind color seeing.

Classroom equipment requirements

(To be provided by the school)

Blackboard and table.

Resource person

Edward T. Parker, B. Sc. in Chemical Engineering, Oregon State College. Extensive experience in color control on product and new color formula development.

PUBLICATIONS AND FILMS FROM BASF WYANDOTTE CORP.

Publications

Facts & Figures (available in classroom quantities).—This folder contains information about the BASF Group and BASF Wyandotte including a brief history of the company.

BASF Wyandotte—A Special Chemistry (available in single copies for teachers).
A 28-page color brochure that highlights the diversity of products made by the company, its research efforts and the people who make up the company.

BASF—A World Enterprise in Chemicals (available in classroom quantities).

An 8-page color booklet that lists many of the principle products, locations and financial operations of the BASF Group.

BASF films (16mm, color motion pictures)

Spotlight-BASF is a 30-minute film that focuses on the U.S. and European activities of the Group. Featured in a 15-minute segment are many of the BASF Wyandotte Operations.

Everywhere you look BASF Wyandotte is at work in a 15-minute film that shows how the company's products show up in the everyday world—sodium bicarbonate in the cake you eat and chlorine to make your clothes brighter. The film also introduces some of the company's employees and explains their activities in community affairs.

Condemned to Progress is a 26-minute film that looks at the research efforts being conducted to increase agricultural production. The film highlights the research programs at the agricultural experimental stations in Limburgerhof, West Germany, and in other countries around the world.

Copies of the publications and loan prints of the films are available on request. For films, indicate a choice of two dates when you plan to show the film allowing a minimum of three weeks for delivery. Send your requests to:

Public Relations Department, BASF Wyandotte Corporation, 100 Cherry Hill Road, Parsippany, New Jersey 07054.

PROLIFERATION OF NUCLEAR WEAPONS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. WOLFF. Mr. Speaker, recent weeks have seen mounting concern over the possible proliferation of nuclear weapons, both to nations and to terrorist groups.

The possibility that terrorist groups may gain access to the materials and technology required to construct a nuclear weapon should be a matter of the highest concern of this Congress. In the recent past, terrorist groups have had no regret over murdering families, schoolchildren, and athletes. They have held as hostages hundreds of aircraft passengers. They have shown themselves

to have little regard for human life. A nuclear weapon in the hands of such a group can lead to a tragedy unequalled in all of the history of mankind.

In light of this concern, I would like to call to the attention of my colleagues an item published in July's edition of the American Legion magazine. The article follows:

PROLIFERATION OF NUCLEAR WEAPONS

The possibility that terrorists can put together their own atomic bomb, and with it threaten entire population centers, has been raised by a secret study undertaken for the Atomic Energy Commission.

The governmental veil of secrecy over the study was lifted by Sen. Abe Ribicoff (Conn.), chairman of a Senate subcommittee investigating the AEC structure.

The report concludes that despite the complexity in converting uranium into an atomic bomb, there are today many experienced scientists and technicians around who, driven by strong resentment for some wrong—real or imagined—could be recruited into one of the urban guerrilla groups operating around the world.

The study recommends that new and stringent security measures be taken, under a special federal nuclear service, to prevent terrorists from stealing materials essential to building a "basement" A-bomb in their hideaway.

CONGRESSMAN CONTE PROVIDES FACTS ON DICKEY-LINCOLN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. DRINAN. Mr. Speaker, a great deal of misinformation concerning the actual costs and benefits of the proposed Dickey-Lincoln hydroelectric power project in northern Maine preceded the House vote of June 6 appropriating funds for preconstruction planning of this project. As I said in my statement on that date, I do not believe that the very small amount of power which Dickey-Lincoln will generate justifies the excessive cost and destructive environmental impact of this project.

My colleague from Massachusetts, SILVIO CONTE, who led the fight against Dickey-Lincoln in the House, recently wrote a letter to the Boston Globe rebutting the Globe's editorial of June 6 in support of funding Dickey-Lincoln. Congressman CONTE's excellent letter, published in the Boston Globe of June 25, clears up many of the misconceptions on which the Globe and a slim majority—201-186—of the House based their support of Dickey-Lincoln. I commend Congressman CONTE's letter to all of my colleagues. I am also inserting the Boston Globe editorial of June 6 which prompted his persuasive response.

The articles follow:

DICKEY-LINCOLN'S UP AGAIN

Today in the U.S. House of Representatives, legislation to provide \$800,000 and resume funding for construction of the proposed \$479 million Dickey-Lincoln hydro-electric power project on the St. John River in Maine comes up for a vote.

We hope the New England congressional

delegation and a majority of Congress support the measure. It is, as Cong. Torbert Macdonald (D-Mass.) has said, "an idea whose time has finally arrived."

There is, first, the energy shortage, which will be with us probably through the rest of the century. Private power companies dependent on oil or coal are in trouble with rising costs. And the public utilities, whose strong lobbying has kept Dickey-Lincoln from congressional enactment for the past decade, have now for the most part dropped their opposition to it.

There is, however, serious opposition to the project from such environmentalist organizations as the Sierra Club and the Appalachian Mountain Club. We are sensitive to their arguments and take them seriously. It is true, for example, that building the Dickey-Lincoln Dam would spoil canoeing on part of the St. John River and create a large lake by flooding some 89,000 acres.

That sounds like a large area, and it is, but it, too, would be available for canoeing and boating. In size, it amounts to less than six-tenths of one percent of the forest area in Maine. Put another way, its use for public power seems to us as justifiable in this crisis as the submergence of several communities several decades ago to create the 40-square-mile Quabbin Reservoir to assure much of eastern Massachusetts perhaps the nation's best water supply.

Dickey-Lincoln's benefits should not be exaggerated. It will not solve the energy shortage—but it will help some. It will supply only peaking power—but that is vitally needed. It will be expensive—but not as expensive as not building it. It will be no Tennessee Valley. And it may not, with today's rising costs be the kind of yardstick its supporters originally predicted.

But New England is the nation's only region that does not have a single Federal power project, and its power rates have been rising twice as fast as in the rest of the country. Dickey-Lincoln could have been in operation by now, supplying a billion kilowatt-hours annually at a cost of about 4 cents per kwh instead of the more than 1.7 cents charged before the recent boosts by private plants built instead of it.

Cong. Macdonald estimates it could have been saving New England consumers by now up to \$40 million a year for electric power. Studies by the Corps of Army Engineers and congressional committee staffs show it would provide power at less cost than any other alternative, and that for every Federal dollar invested in construction, the government would get back, as of 1967, about \$1.80, and as of today, double the money.

So we believe Cong. Silvio Conte's (R-Mass.) opposition to Dickey-Lincoln is misdirected. And we hope as many New England congressmen as possible vote for it. If not, they will be reminded next winter.

BILLION DOLLAR DAM

Not only do I disagree profoundly with The Globe's June 6 editorial, "Dickey-Lincoln is up again," but I find its arguments for proceeding with the Dickey-Lincoln hydroelectric power project on the upper St. John River in Maine so contradictory . . . that I must answer it . . .

While the editorial acknowledges environmentalists' opposition to Dickey-Lincoln . . . It points out that the 89,000 acres that will be flooded is only six-tenths of one percent of the forest area of Maine. What it doesn't say is that that area . . . is the heart of the Great Maine Woods, the last major wilderness area in the Northeastern United States, an area which doesn't even have public roads into its interior . . .

The editorial concedes that construction will spoil canoeing on part of the St. John, but reassures readers that boating will be

possible on the resulting lake. It's true that one can paddle a boat on almost any body of water, but it's not the same as running white water. And, it's beside the point. The opposition of environmentalists to Dickey-Lincoln is based on its total impact on the wilderness character of the area, its wildlife and waterfowl, and on the many kinds of wilderness recreation it affords now . . .

The Globe equates the submergence of the Upper St. John River Basin . . . to that of several communities for the Quabbin Reservoir "to assure much of eastern Massachusetts perhaps the nation's best water supply."

Dickey-Lincoln isn't going to assure much of a power supply. The projected billion kilowatt hours annually looks like a lot unless one realizes that it is only a little over one percent of annual consumption in New England now and will be less than one percent when the project is completed.

The production of peaking power is put forward as an asset. Actually, the reason for the project's being designed as a peaking facility is because there isn't enough water in the St. John to do anything else. Generators, at Dickey, which will be bigger than the Aswan Dam, can only be run two and a half hours a day. Peak power demand in New England in the summer runs up to six hours a day and over. Dickey-Lincoln will not remove the need for a single other peak power unit. It will simply provide relief for a very short period each day. And peak power units are considerably less efficient than those that run 24 hours a day.

The Globe also concedes that Dickey-Lincoln will be expensive, but . . . the power rates and cost benefit ratio it uses are based on a cost estimate long abandoned by the U.S. Army Corps of Engineers, \$356 million for the dams and \$61.5 million for transmission . . . When questioned . . . the Corps admitted that if it used a more realistic borrowing rate of 6½ percent and figured in a modest annual increase of 8 percent for rising costs during construction, the investment would rise to \$839 million plus . . . A congressional study of Corps' hydroelectric projects constructed between 1961 and 1967 showed that actual costs exceeded estimates for 90 percent of the projects. Dickey-Lincoln is going to be a billion-dollar baby.

The 4 cent per kilowatt hour rate for Dickey-Lincoln power is based on the original, now discarded, cost estimate. Using more realistic borrowing rates and an annual cost escalation, the rate rises to over 4c per kilowatt hour. The Globe has never provided figures to back up its estimated \$40 million a year savings on New England's power bill. The Corps' own figure, incidentally, is \$11.7 million. Even if the \$40 million were accurate, it is only a fraction of one percent of our annual \$1.6 billion electric bill in New England. Moreover, the savings will go only to "preferred customers," the rural electric cooperatives and publicly-owned systems that by law have first claim on the project's power.

The cost-benefit analysis relied on by The Globe for its statement that in 1967 we would have gotten back \$1.80 for every Federal dollar invested, and that today's return would be double that, is misleading . . . It compares fossil fuel alternatives at an 8½ percent interest-rate and paying taxes to state and Federal governments with a federally-financed, non-taxable project subsidized by a totally unrealistic 3½ percent borrowing rate. The Corps' analysis also counts as benefits \$1.25 million for recreation, \$817,000 for regional development, and \$60,000 for flood control while building nothing in for loss of wilderness recreation, for the far cheaper and more appropriate flood control measures available, or for the loss of renewable, harvestable timber.

The worst argument is The Globe's principal one—every other region in the country has a public power project and New

England should have one too. New England needs power, not a billion-dollar status symbol. . . . New England does not have appropriate water resources for the kind of publicly-financed hydroelectric power projects that have been constructed elsewhere.

What we do have are needs and intellectual resources that will allow us to develop some real solutions to the power problem—alternative sources of energy, better building and transportation technologies.

Dickey-Lincoln is not a step in the right direction. It's a billion dollar step backwards.

SILVIO O. CONTE,
Member of Congress.

Washington, D.C.

A QUESTION OF PRIVILEGE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, at the beginning of business tomorrow, Thursday, June 28, I intend to call up a resolution involving a "question of privilege" of the House as provided under House rule IX. At this point in the RECORD I include a copy of a "Dear Colleague" letter I am sending to all House Members today along with the full text of the resolution I will be calling up:

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 26, 1974.

MEMBER'S URGENT ATTENTION FOR THURSDAY,
JUNE 27, 1974

DEAR COLLEAGUE: At the beginning of business on Thursday, June 27, 1974, I intend to call up a highly privileged resolution involving a "question of privilege of the House," pertaining to the Bolling-Martin committee reorganization proposal, H. Res. 98.

Under House Rule IX, "Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings." It is my contention that the rights of the House and the integrity of its proceedings are being violated by deliberate delay of consideration of the Bolling-Martin resolution.

Clause 27(d) (1) of House Rule XI specifies: "It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the House any measure approved by his committee and to take or cause to be taken necessary steps to bring the matter to a vote." Despite the fact that H. Res. 98 was reported by the Select Committee on Committees on March 21, 1974, a rule has not yet been requested by the chairman. The matter has instead been referred to the House Democratic Caucus which voted 111-95 on May 9, 1974, to give the matter further study and to instruct the Democratic Members on the Rules Committee to take no action until further directed by the caucus.

It is clear from the above that the rights of the House and the integrity of its proceedings are being interfered with by the action of the Democratic Caucus and the refusal of the chairman of the select committee to take the necessary steps to bring the matter to a vote. My resolution therefore directs the chairman to seek a rule and directs the Rules Committee to give immediate consideration to that request. I urge your support for my resolution.

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

RESOLUTION

Mr. Anderson of Illinois submitted the following resolution as a question of privilege of the House.

Whereas on January 31, 1973, the House of Representatives voted to establish a ten-member, bipartisan Select Committee on Committees charged with conducting a "thorough and complete study of rules X and XI of the Rules of the House of Representatives; and

Whereas the select committee was further "authorized and directed to report to the House by bill, resolution, or otherwise," with respect to matters within its jurisdiction; and

Whereas on March 21, 1974, the select committee reported House Resolution 988 in conformance with its mandate; and

Whereas the chairman of the select committee has failed to seek a rule making H. Res. 988 in order for consideration by the House; and

Whereas, clause 27(d) (1) of House Rule XI states, "It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the House any measure approved by his committee and to take or cause to be taken necessary steps to bring the matter to a vote;" and

Whereas delay in the consideration of H. Res. 988 may be directly attributed to action taken by the House Democratic Caucus on May 9, 1974, including instructions to the Democratic Members of the House Committee on Rules to take no action on the resolution until so directed by the caucus; and

Whereas the House Democratic Caucus is not recognized under the Rules of the House as a standing or select committee to which legislation may be referred or as having authority to defer action on legislation in clear violation of clause 27(d) (1) of House Rule XI: Therefore be it

Resolved, That the chairman of the select committee be directed to forthwith seek a rule making in order for consideration by the House, House Resolution 988; and be it further

Resolved, That the House Committee on Rules be directed to give immediate consideration to such request.

CAMPAIGN FINANCE REFORM

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. DICKINSON. Mr. Speaker, I should like to call to the attention of our colleagues an important address by the distinguished junior Senator from New York, JAMES L. BUCKLEY, on the subject of campaign finance reform.

In speaking to the New York Republican Volunteers on June 5, Senator BUCKLEY very incisively analyzed the difficulties with so-called election reform based upon public financing of campaigns.

In the first place, the Senator pointed out, bills such as S. 3044—the Federal Election Campaign Act Amendments of 1974—might more appropriately be called the Incumbent Protection Act of 1974. This is because any incumbent has built-in advantages which a challenger can only hope to overcome by raising and spending a larger sum of money. By limiting a challenger to the same ex-

penditure as an incumbent, the incumbent's reelection—already likely—is practically assured.

Second, Senator BUCKLEY rightly notes that such bills may well be unconstitutional since they restrict our rights of freedom of expression; if I want to pay for an advertisement saying I support Senator X because I agree with his views on A and B, why should I be restrained from doing so?

Third, and perhaps most important, the banning of private donations would cut down on citizen participation and make our politics much less responsive to the views and concerns of the average citizen.

I believe Senator BUCKLEY has made a valuable contribution to our understanding of this complex issue and I commend his carefully reasoned speech to all of our colleagues:

SENATOR JAMES L. BUCKLEY
CAMPAIGN REFORM

In early April of this year the Senate debated and finally passed legislation that if enacted into law will have a profound impact on the way we as Americans select candidates and finance their campaigns for public office. I am referring, of course, to S. 3044, the "Federal Election Campaign Act Amendments of 1974," a bill that many would have us believe will prevent future Watergates, cleanse our political system of corruption at all levels, and restore public faith in our electoral system.

I voted against S. 3044 in April. I did so because I think it was poorly conceived and oversold. I said on the Senate floor during the debate that it might more appropriately be termed the "Incumbent Protection Act of 1974," and warned my colleagues that this approach to reform with its limitations on individual expression, might be struck down by the Supreme Court if it ever becomes law.

I must confess, however, that my warnings were rejected by my colleagues. S. 3044 has passed the Senate and similar legislation is now being considered in the House. It is therefore at least possible that a bill incorporating important features of S. 3044 will eventually reach the President's desk for signature. When it does I sincerely hope that he will veto it.

But let's examine S. 3044 for a few minutes to see why I think it is such bad legislation.

S. 3044 includes a number of campaign reform proposals tied together in a package that we are told will satisfy the public desire for reform and at the same time solve many of the problems that face our society.

Title I, for example, incorporates public financing of Federal elections with strict expenditure limitations. The concept of publicly financed election campaigns has been debated for some years now, but I am still far from convinced that it is an idea whose time has come or indeed, that it is an idea whose time should ever come.

The scheme incorporated into this portion of S. 3044 is quite intricate; but one that must be thoroughly understood both mechanically and conceptually.

Therefore, before I move into a discussion of what I see as the basic objections to the entire concept of public financing I would like to go over the provisions of the specific plan approved by the Senate on April 11th.

Under title I, tax money amounting to approximately \$360 million every four years would be made available to finance or help finance the primary and general election campaigns of legitimate major and minor party candidates for all Federal offices.

A candidate seeking the endorsement of

his party via the primary route would have to demonstrate his "seriousness" by raising a specified amount through private contributions before qualifying for Federal money. Once this threshold amount has been raised, however, the candidate becomes eligible for public matching funds up to the limit applicable to his race.

Candidates running in the general election for any Federal office are treated differently depending on whether they are running as major or minor party candidates. A major party is defined as one that garnered twenty-five percent of the vote in the previous election.

Major party candidates may receive full public funding up to the limit applicable to their races.

A minor party candidate, on the other hand, may receive public funding only up to an amount which is in the same ratio as the average number of popular votes cast for all the candidates of the major party bears to the total number of popular votes cast for the candidate of the minor party. However, the major party candidate must receive at least five percent of the vote to qualify for any funding.

Minor party candidates are allowed to augment their public funds with private contributions up to the limits set in the act and may receive post election payments if they do better in the current election than they did in the preceding elections.

The independent candidate or the candidate of a new minor party isn't entitled to anything prior to the election, but can qualify for post election payments if he draws well at the polls.

Let us move now to the question of the propriety of the spending limits that are an integral part of the plan.

Under the section 504 of the title we are debating uniform limits that are imposed on incumbent and nonincumbent candidates alike. These limits will necessarily favor incumbent Presidents, Senators, and Congressmen because any incumbent has advantages that must be overcome by a challenger trying to unseat him. To overcome these advantages a challenger must spend money.

Congressional and Senatorial incumbents have generally been fairly safe re-election bets for a variety of reasons. Incumbency itself has been estimated to be worth five percentage points on election day.

The \$90,000 limit on House races imposed by the bill would most certainly serve to benefit incumbents. I say this on the basis of an analysis of the recent Common Cause study of expenditures in 1972, in which the average expenditure in races in which incumbents were unseated (a rather rare phenomenon, incidentally) was about \$1,125,000. This suggests that in the usual case, it takes a certain expenditure on the part of a challenger to achieve the recognition and identification on the issues which the incumbent has already acquired by virtue of past elections, his performance in office, and his ability to send periodic communications to his constituents, at Government expense. I would note at this point that when I offered an amendment that would provide challengers with fifteen percent more money than incumbents, the amendment was handily shot down.

More important than the specifics of S. 3044 or any other specific bill, however, is the assumption that private financing is an evil to be avoided at all costs.

I am afraid, I have to reject that basic assumption. A candidate for public office is currently forced to compete for money from thousands or—in the case of Presidential candidates—millions of potential contributors and voters.

Viable candidates rarely have trouble raising the funds needed to run a credible cam-

paign, and, in fact, their ability to raise money is one very good gauge of their popular support.

As Congressman BILL FRENZEL of Minnesota said during hearings on public financing last year:

"While the ballot box is an essential means of measuring popular support for a candidate, political contributions give individuals and groups an opportunity to register strong approval and disapproval of a particular candidate or party."

Under our present system, potential candidates must essentially compete for private support, and to attract that support they have to address themselves to issues of major importance to the people who will be contributing to their campaigns and voting for them on election day. Public financing might allow candidates to ignore these issues, fuzzi their stands, and run campaigns in which intelligent debate on important matters is subordinated to a "Madison Avenue" approach to the voters.

Let's consider a couple of examples. During the course of the 1972 campaign, it was reported that Senator MCGOVERN was forced by the need for campaign money to place greater emphasis on his support of a Vietnam pullout than his political advisors thought wise. They felt that he should have downplayed the issue and concentrated on others that might be better received by the electorate.

I do not doubt for a minute that the Senator's emphasis on his Vietnam position hurt him, but I wonder if we really want to move toward a system that would allow a candidate to avoid such issues or gloss over positions of concern to millions of Americans.

The need to court the support of groups with special concerns creates similar problems. Those who believe that we should maintain a friendly stance toward Israel, for example, as well as those who think a candidate should support union positions on a whole spectrum of issues want to know where a candidate stands before they give him their vocal and financial support. The need to compete for campaign dollars forces candidates to address many issues and I consider this vital to the maintenance of a sound democratic system.

Second, to the extent that these plans bar the participation of individual citizens in financing political campaigns they deny those citizens an important means of political expression. Millions of Americans now contribute voluntarily to Federal, State and local political campaigns. These people see their decision to contribute to one campaign or another as a means of political expression. Public financing of Federal general election campaigns would deprive people of an opportunity to participate in full in the political process and express their strongly held opinions.

They would still be contributing, of course, since the Senate bill will cost them hundreds of millions of dollars in tax money. But their participation would be compulsory, and might well involve the use of their money to support candidates and positions they find morally and politically reprehensible.

Third, S. 3044 and similar bills combine public financing with strict limits on expenditures. As I have already indicated, these limits must, on the whole, work to the benefit of incumbents as they are lower than the amount that a challenger might have to spend in a hotly contested race if he is to overcome the advantages of his opponent's incumbency.

Fourth, the various schemes devised to distribute Federal dollars among various candidates and between the parties has to affect power relationships that now exist. Thus, if you give money directly to the candidate you further weaken the party sys-

tem. If you give money to the national party, you strengthen the national party organization relative to the State parties. If you are not extremely careful you will freeze out or lock in minor parties. These are real problems with significant policy consequences that those who drew up the various public financing proposals tended to ignore. The authors of S. 3044 merely managed to make the consequences less clear. They did not attempt to cope with the problems I have suggested.

Fifth, public financing will have two significant effects on third parties, neither desirable. In the first place, it will discriminate against genuine new third party movements—such as that of George Wallace in 1968—because such parties have not had the chance to establish a voting record of the kind required to qualify for pre-election financing. On the other hand, once a third party qualifies for future Federal financing, a vested interest arises in keeping it alive—even if the George Wallace who gave it its sole reason for existence should move on. Thus we run the risk of financing a proliferation of parties that could destroy the stability we have historically enjoyed through our two party system.

In addition, S. 3044 and all similar plans raise first amendment questions since they all either ban, limit or direct a citizen's right of free speech.

In this light it is interesting to note that a three judge panel in the District of Columbia has already found portions of the campaign reform law we passed in 1971, to be in violation of the first amendment. As you will recall, the 1971 act prohibited the media from accepting political advertising unless the candidate certified that the charge would not cause total spending on his behalf to exceed the limits imposed by the law. In the opinion of the court, this had the effect of placing an unconstitutional restriction on the freedom of individuals wishing to buy ads in newspapers and other media in support of a given candidate.

I have already indicated in reference to the specifics of title I that I fear we are debating a bill that would aid incumbents over the candidates. This is so because of the uniform spending limits that are an inherent part of this and most other public financing plans.

In addition to incumbents, such a plan would aid another class of candidates and therefore artificially tilt the politics of this country.

Any candidate who is better known when the campaign begins or is in a position to mobilize non-monetary resources must benefit from these kinds of plans as compared to less known candidates and those whose supporters are not in a position to give them much help.

This is necessarily true because the spending and contributions limits even out only one of the factors that determine the outcome of a given campaign. Other factors therefore become increasingly important and may well determine the winner on election day.

Consider, for example, the advantages that a candidate whose backers can donate time to his campaign will have over one whose backers just do not have the time to donate. In this context, one can easily imagine a situation in which a liberal campus-oriented candidate might swamp a man whose support comes primarily from blue-collar middle-class workers who would contribute money to their name, but who do not have time to work in his campaign.

Or consider the candidate running on an issue that attracts the vocal and "independent" support of groups that can provide indirect support without falling under the limitations imposed by the law. The effectiveness of the antiwar movement and

the way in which issue-oriented antiwar activists were able to mesh their efforts with those of friendly candidates illustrates the problem.

The Washington Post's prize-winning political reporter, David Broder, noted in a very perceptive analysis of congressional maneuvering on this issue last year that most Members seemed to sense that these reforms will, in fact, help a certain kind of candidate. His comments on this are worth quoting at length:

"... the votes by which the public financing proposal was passed in the Senate had a marked partisan and ideological coloration. Most Democrats and liberals in both parties supported public financing; most Republicans and most conservatives in both parties voted against it.

"The presumption that liberals and Democrats would benefit from the change is strengthened by the realization that money is just one of the sources of influence in a political contest. If access to large sums is eliminated as a potential advantage of one candidate or party by the provision of equal public subsidies for all, then the election outcome will likely be determined by the ability to mobilize other forces.

"The most important of these other factors are probably manpower and publicity. Legislation that eliminates the dollar influence on politics automatically enhances the influence of those who can provide manpower and publicity for the campaign.

"That immediately conjures up, for Republican and conservatives, the union boss, the newspaper editor, and the television anchorman—three individuals to whom they are reluctant to entrust their fate of electing the next President."

These reforms—if we are going to insist on calling them reforms—affect the way we select our Presidents. They affect the relationship of our citizens to their elected Representatives and to the Government itself. They affect the party system that has developed in this country over nearly 200 years in ways that we cannot predict.

In other words, they affect the very workings of our democratic system and could alter that system significantly.

Those in and out of the Congress who advocate public financing are selling it as a cure-all for our national and political ills. For example, Senator KENNEDY recently went so far as to say that:

"Most, and probably all, of the serious problems facing the country today have their roots in the way we finance political campaigns . . ."

This statement reminds one of the hyperbole associated with the selling of the New Frontier and Great Society programs in the 1960's. The American people were asked then to accept expensive and untried panaceas for all our ills.

Those programs did not work. They were oversold, vastly more expensive than anyone anticipated, and left us with more problems than they solved. Public financing is a Great Society approach to another problem of public concern and, like other solutions based on the theory that Federal dollars will solve everything, just won't work.

MOBIL OIL'S PROPOSED ACQUISITION

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ASPIN. Mr. Speaker, the Mobil Oil Co. is attempting to diddle and defraud the American consumer. I have filed a petition with the Federal Trade Com-

mission to stop the proposed acquisition by Mobil of Montgomery Ward's parent company Marcor.

Mobil may offer \$500 million to Marcor to obtain a 51 percent controlling interest in the company which owns Montgomery Ward and the Container Corp.

The acquisition of Marcor by Mobil Oil would be a violation of antitrust laws, and it also betrays that oil company's line that sky-high profits are spent on oil exploration. Obviously, despite loud and frequent claims to the contrary, Mobil Oil is not spending its profits on finding more oil and gas. Mobil Oil is using its exorbitant profits to buy up more companies, in this instance Marcor. All the while Mobil has been complaining in newspaper ads that it needs higher and higher profits for exploration, and all of the while it has been attempting to diddle and defraud the American consumer.

One Mobil newspaper advertisement published earlier this year begins:

Are oil profits big? Right. Big enough? Wrong. (New York Times, January 21, 1974).

The advertisement continues:

The only way to generate enough funds and attract new capital is to increase earnings . . . We are determined to improve our ability to supply our customers in years to come and to find the money to make this possible even if we have to point out that our 1973 profits weren't big enough.

Last year Mobil profits increased 47 percent totaling \$842.8 million.

In another ad Mobil complained that "we just spent 3 month's profits in one morning" referring to a recent lease bid. The ad goes on to say:

We must go on spending big in order to find new reserves that will keep us in business and keep you supplied with fuel . . . a large part of the money we invest in this search has got to come from profits.

Mr. Speaker, there is serious antitrust and restraint of trade questions involved in this proposed acquisition. Since Montgomery Ward sells tires, batteries, accessories, and even gasoline, it is in direct competition with Mobil. Montgomery Ward operates over 500 service centers that specialize in automotive accessories and fuel.

I am specifically asking the Federal Trade Commission to investigate the proposed acquisition and seek a Federal court injunction blocking it. As many of my colleagues may know, the recent trans-Alaskan bill greatly broadened the FTC's power to seek injunctions to prevent corporate mergers which are considered a restraint of trade.

The petition to the FTC follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 24, 1974.

LEWIS ENGMAN,
Chairman, Federal Trade Commission,
Washington, D.C.

DEAR CHAIRMAN ENGMAN: On Monday, June 17, it was reported that the Mobil Oil Corporation is planning to make a public cash offer of approximately \$500 million to acquire controlling interest in Marcor, Inc. Mobil management has confirmed these plans but has not yet disclosed the financial terms of the proposed transaction.

Because of the disastrous effects this takeover would have on consumers throughout the nation, and because of the substantial lessening of competition that it will cause, I

urge you to immediately initiate the necessary legal steps to investigate and, if necessary, to enjoin the acquisition in accordance with Section 7 of the Clayton Antitrust Act.

Mobil is an integrated company engaged in the production, refining, transportation and marketing of petroleum-related products. With 1973 annual sales of \$12.6 billion and \$10.7 billion in assets, Mobil is one of the largest companies in the world. Marcor's annual sales are \$4 billion and its assets amount to over \$2.5 billion. Its principal subsidiary, Montgomery Ward, is one of the nation's leading retailers of consumer goods. According to its spokesmen, Montgomery Ward operates some five hundred service centers specializing in tires, batteries and other automotive products and accessories. In addition, some Montgomery Ward stores and service centers retail gasoline. Both companies are also engaged in the business of automotive repairs and servicing.

If allowed to go through, the acquisition of Marcor by Mobil would be the largest corporate takeover in history. These two companies are in direct competition in the sale of services and products in many areas of the country. Clearly, the effect of this acquisition may be substantially to lessen competition in these lines of commerce.

I will appreciate your keeping me informed of the actions that are being taken by the FTC as this matter proceeds.

Sincerely,

LES ASPIN,
Member of Congress.

RESOLUTIONS OF THE NEW YORK CONFERENCE OF THE UNITED CHURCH OF CHRIST

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. RANGEL. Mr. Speaker, participants in the 11th annual meeting of the New York Conference of the United Church of Christ which met in Ithaca, N.Y., on June 9, 1974, resolved to speak out on issues that are of great concern to all Americans.

The conference urged the 93rd Congress to consider its resolutions. For this reason, I have taken the liberty of entering into the RECORD a copy of the resolutions passed by the New York conference.

The resolutions follow:

RESOLUTIONS ADOPTED AT THE 11th ANNUAL MEETING OF THE NEW YORK CONFERENCE OF THE UNITED CHURCH OF CHRIST

Whereas, Rhodesia's (Zimbabwe) economy and politics are dominated by 5% white minority rule, and there are no freedoms existing for majority rule, and

Whereas, in 1968 the United Nations voted economic sanctions against Rhodesia, and

Whereas, The United States Senate voted (54-37) to "Repeal the Byrd" amendment, an amendment which allowed the Congressional vote in 1971 the United States to violate the economic sanctions for the special interests of certain mineral industries (chrome, ferrochrome, and nickel), and

Whereas, the Synod of the United Church of Christ has given support to the "Repeal of the Byrd" amendment, therefore,

Be it resolved, that the State Conference of the United Church of Christ urge the House of Representatives to support in this 93rd Congress the "Repeal of the Byrd" amendment (H.R. 8005).

Adopted as vote: AM-74-#26.

Whereas, in the second year (FY 1975) of "peace with honor", a 65% increase is being requested by the Nixon administration for Southeast Asia (\$2 billion as military aid, and \$800 million as economic aid), and,

Whereas, Thieu's government continues to deny the Vietnamese people the freedoms guaranteed in the Peace Accords by creating a police state which holds 100,000-200,000 of its citizens in jail for their political belief subject to systematic abuse and indescribable torture (Newsweek, 7/23/72; Bishop Thomas Gumbleton, National Catholic Reporter, 5/11/72, therefore,

Be it resolved, That the State Conference of the United Church of Christ urge our representatives in Congress to support the principles of the Indo-China Peace Pledge which are:

(1) To PRECLUDE DIRECT UNITED STATES MILITARY INVOLVEMENT by positively prohibiting the renewal of United States air, sea, or land combat operations and the use of United States military or parliamentary advisors for Indo-china.

(2) To ENCOURAGE A POLITICAL SETTLEMENT BASED ON THE PEACE AGREEMENT SIGNED BY THE UNITED STATES by withholding non-humanitarian aid to either party in South Vietnam which does not comply with the Agreement which pro-

vides for a cease-fire and for the restoration of the basic freedoms of press, speech, meeting, political belief, and movement for the people of South Vietnam.

(3) To END UNITED STATES POLICE AID by opposing all direct and indirect United States funding of police and prison systems in Indo-china, particularly those funds used for South Vietnam for the continued imprisonment and torture of political prisoners whose release is called for by the Peace Agreements.

Adopted as vote: AM-75 #27.

Whereas, the United Church of Christ has taken important leadership on the issues of racial justice, peace, corporate responsibility, and other matters relating to the problems of our times, and

Whereas, many programs of human need like the Office of Economic Opportunity (OEO) are being phased out, or grossly underfunded in the FY 1975 budget while the military budget is raised by 10% (the first time in history that a defense budget has gone up after a war), and

Whereas, in most of our regional areas in New York State there has emerged in the religious constituency ongoing program of an ecumenical nature on the issues of peace, social justice, and reordering of national priorities, therefore

Be it Resolved, That the State Conference recommend the Executive to appoint a "Task Force on Peace and Social Justice" to assist (1) in the development of a statewide strategy on the reordering of national priorities, and (2) in financing and cooperating with regional "peace and social justice" organizations that are reflective of the interests of the State Conference of the United Church of Christ and,

Be it further Resolved, That the State Conference of the United Church of Christ urge the Congress of the United States to continue the Office of Economic Opportunity as key community program in the implementation of "anti-poverty" work.

Adopted as vote: AM-74 #29.

Whereas, our government is facing one of the greatest moral crises in its history, and

Whereas, the people of the United States are torn by the many grave charges of corruption which surround the administration of Richard Nixon,

Therefore be it Resolved, That the New York Conference of the United Church of Christ express its grief and concern at the abuses of power revealed, and supports the thorough and expeditious implementation of the constitutional processes provided to ensure governmental integrity.

Adopted as vote: AM-74 #32.

SENATE—Thursday, June 27, 1974

The Senate met at 9:30 a.m. and was called to order by Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, in whom we live and move and have our being, in reverent memory we thank Thee for Thy servant Ernest H. Gruening, "father of the State of Alaska," for all the good and gracious influence which radiated from his life to others and made the world better by his presence, grant the consolations of Thy Holy Spirit to all who mourn and renew our dedication to eternal verities.

Almighty God, who has made and preserved us a nation, we thank Thee for the day of our national independence, and the declaration that all men are created equally free under God to find life's fulfillment under a government of the people, by the people, and for the people. As we commemorate the birthday of the Republic help us to remember that freedom is never free, but must be earned and conserved in every generation by work and sacrifice. Send upon the people of this land a fresh visitation of Thy spirit that the fires of pure religion and high patriotism may burn brightly on the altar of the Nation.

And to Thee we ascribe all glory and praise. 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 27, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. PROXMIRE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, June 26, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EMERGENCY HOUSING FINANCE ACT OF 1974—PLACED ON THE TABLE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 824 (S. 3511) be taken off the calendar and put under "Subjects on the Table," on page 14 of the legislative calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REGULATION OF CERTAIN POLITICAL CAMPAIGN FINANCE PRACTICES IN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 935 (H.R. 15074).

The ACTING PRESIDENT pro tempore. Without objection, the clerk will read the bill by title.

The assistant legislative clerk read the bill, as follows:

A bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

TITLE I—SHORT TITLE, DEFINITIONS
Sec. 101. Short title.
Sec. 102. Definitions.

TITLE II—FINANCIAL DISCLOSURES
Sec. 201. Organization of political committees.
Sec. 202. Principal campaign committee.
Sec. 203. Designation of campaign depository.
Sec. 204. Registration of political committees; statements.
Sec. 205. Registration of candidates.
Sec. 206. Reports by political committees and candidates.
Sec. 207. Reports by others than political committees.
Sec. 208. Formal requirements respecting reports and statements.
Sec. 209. Exemption for candidates who anticipate spending less than \$250.
Sec. 210. Identification of campaign literature.
Sec. 211. Effect on liability.