

Amends the Congressional Budget Act to require that the first concurrent resolution on the budget shall set a limit on total budget outlays with respect to the surplus or deficit that is appropriate in light of economic conditions, as well as the recommended level of Federal revenues, and the appropriate level of the public debt for each of the three following fiscal years.

H.R. 10578.—November 5, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords.

H.R. 10579.—November 5, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to direct the Federal Power Commission to exempt certain transactions involving new natural gas from regulation. Directs the Commission to establish a ceiling price on new natural gas produced from offshore Federal lands to remain in effect through December 31, 1980.

Directs the Commission to prohibit the use of natural gas as boiler fuel where adequate alternatives exist. Authorizes the Commission to require production of natural gas at the maximum efficient rate during natural gas supply emergencies.

H.R. 10580.—November 5, 1975. Interior and Insular Affairs. Amends the Mineral Leasing Act of 1920 to direct the Secretary of the Interior to establish a comprehensive exploratory program for coal deposits.

Regulates surface coal mining operations through a permit program administered by the Secretary of the Interior. Requires applicants to meet minimum environmental protection standards. Allows States to establish surface mining control programs at least as stringent as minimum Federal standards.

Authorizes financial assistance to State mining and mineral research institutes. Establishes a special fund for the reclamation of abandoned mine sites.

H.R. 10581.—November 5, 1975. Merchant Marine and Fisheries. Authorizes the Governor of the Canal Zone to regulate the purchase, possession, consumption, use, transportation, manufacture, sale, and importation of alcoholic beverages in the Canal Zone.

Requires the Governor to establish alcoholism prevention, treatment, and rehabilitation programs in the Canal Zone.

H.R. 10582.—November 5, 1975. International Relations. Declares that no debt owed to the United States by any foreign country may be settled in an amount less than the full value of the debt except by concurrent resolution of the Congress.

H.R. 10583.—November 5, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit for qualified savings and investments, and excludes from gross income certain capital gains.

Removes the undue hardship requirement for granting an estate tax extension. Allows a limited deduction from a gross estate for

the decedent's interest in a family farming operation.

Revises the corporate normal tax rates, increases the investment tax credit, and increases the corporate surtax exemption.

Requires that a taxpayer's basis in property be varied by changes in the Consumer Price Index.

Establishes certain standards for employee stock ownership plan financing.

H.R. 10584.—November 5, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10585.—November 6, 1975. Ways and Means. Increases, temporarily, the debt limitation on the Second Liberty Bond Act, by \$195,000,000,000.

H.R. 10586.—November 6, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits use of unacceptable traps in interstate or foreign commerce. Prescribes regulations to prohibit the interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 10587.—November 6, 1975. Judiciary. Requires executive agencies, under the Administrative Procedure Act, to calculate and publish in the Federal Register the projected total cost and the projected total benefits which would result from the adoption of a rule.

H.R. 10588.—November 6, 1975. Ways and Means. Amends the Internal Revenue Code to exclude certain refiners of crude oil, who, directly or through a related person, sell oil or natural gas through a retail outlet operated by the taxpayer or a related person, from the partial depletion allowance.

H.R. 10589.—November 6, 1975. Interstate and Foreign Commerce. Authorizes and directs the Secretary of Health, Education, and Welfare, acting pursuant to the Public Health Service Act, to make grants to designated State agencies to meet part of the costs involved in planning, establishing, maintaining, coordinating, and evaluating programs for comprehensive services for school-age girls, their infants and children. Specifies the requirements for State plans to qualify for Federal aid under this Act.

H.R. 10590.—November 6, 1975. Education and Labor. Amends the Higher Education Act of 1965 to generally revise (1) the programs of Federal, State, and private low-interest insured loans to students in institutions of higher education; and (2) the program of direct loans to students in institutions of higher education.

Transfers the duty of administering the loan insurance program from the Commissioner of Education to the Secretary of the Treasury.

H.R. 10591.—November 6, 1975. Interstate and Foreign Commerce. Amends the Magnu-

son-Moss Warranty-Federal Trade Commission Improvement Act to require warrantors of new motor vehicles to allow consumers to elect either refunds for, or replacements without charge of, new motor vehicles containing a defect or malfunction which is not remedied within 60 days after such motor vehicles are made available to the warrantor or after a reasonable number of attempts by the warrantor to remedy such defect or malfunctions.

H.R. 10592.—November 6, 1975. Banking, Currency and Housing. Amends the Real Estate Settlement Procedures Act of 1974 (1) to redefine "Federally related mortgage loan"; (2) to repeal requirements for advance disclosure of settlement costs, and disclosure of previous selling price; and (3) alter regulations for uniform settlement statements.

Amends such Act with respect to (1) information booklets prepared by the Secretary of Housing and Urban Development; and (2) regulation of borrower escrow accounts.

Permits the Secretary to exempt lenders for such loans from compliance with State settlement laws, under such Act.

H.R. 10593.—November 6, 1975. Public Works and Transportation. Sets forth regulations for estimates and charges for the transportation of household goods by a common carrier by motor vehicle, under the Interstate Commerce Act.

H.R. 10594.—November 6, 1975. International Relations. Authorizes appropriations under the Foreign Assistance Act of 1961 and the Foreign Military Sales Act. Revises the Foreign Assistance Act of 1961 with respect to (1) the stockpiling of defense articles for foreign countries; (2) international military education and training; and (3) Indochina Assistance.

H.R. 10595.—November 6, 1975. Judiciary. Establishes a program of grants to States for the payment of compensation to persons injured by certain violent criminal acts. Establishes the Violent Crimes Compensation Commission to carry out the purposes of this Act.

H.R. 10596.—November 6, 1975. Armed Services. Requires the Chief of Naval Operations, and the Chiefs of Staff of the Army and Air Force to keep the Secretaries of their respective services fully and currently informed on all matters considered and matters acted upon by the Joint Chiefs of Staff.

H.R. 10597.—November 6, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 10598.—November 6, 1975. Judiciary. Amends the Speedy Trial Act of 1974 to stipulate that certain members of planning groups and pretrial services agencies shall not be deemed to be officers or employees of the United States.

H.R. 10599.—November 6, 1975. Veterans' Affairs. Directs the Secretary of the Army to establish one or more national cemeteries in Arizona.

EXTENSIONS OF REMARKS

DOMESTIC WINES

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. BELL. Mr. Speaker, many of us have known for a long time that our domestic, U.S. wines are of a quality to rival the best imported vintages.

Some of them, such as several of the

well-known California wines, are finally beginning to come into their own in the international wine market.

In part, this is due to some of the advanced techniques being used by U.S. viticulturalists. One such innovative procedure now being used on a trial basis in California is vineyard irrigation.

A recent bulletin published by the Council of California Growers describes this project.

The text of that article follows:

TO WATER OR NOT TO WATER—THAT IS THE QUESTION

Can a superior wine come from grape vines that have been irrigated?

"The answer you'll get varies by the amount of summer rainfall normal to the given production area," said viticulturist Rudy Neja of Monterey County's Extension Service.

"Generally, Europeans shudder at the idea of irrigating grape vines. They considered it a 'plus' to put 'non-irrigated' on a bottle of wine. But apparently they're unwilling to classify their natural summer rains as, at

least 'celestial irrigation,' Neja told the Council of California Growers.

The aversion to irrigation carries over into major California growing areas as well. "Napa-Sonoma receives 25" to 50" of rain annually, versus the 10" to 12" we get here in Monterey. Any rain early in the Fall is not uncommon in that area. So they can afford to share the European aversion to man-made 'rainfall' in the form of sprinkler irrigation," Neja explained.

Since 1972, viticulturist Neja has been actively involved in irrigation trials involving area grape growers and wineries, as well as the University's experiment station.

"We are studying four systems: non-irrigation; an early cut-off in mid-July to stop plant growth; irrigating through the entire season and ignoring vine growth; and finally, in mid-season, cutting back canopy growth and reducing irrigation, but continuing some water application right up to harvest time in September and November," Neja told the Council. He referred to the latter technique as "E.C.B."—early cut back of irrigation to reduced levels.

Measured results have been startling, if probably insufficient to lower the raised eyebrows of European traditionalists.

"Wineries and the University, cooperating in evaluating quality, report the ECB system resulted in superior wines, based on sugar acids and taste panel ratings," Neja said.

The farm advisor reported further results of the trials. "Under ECB, production averaged more than 16 pounds per vine, versus 10 pounds when not irrigated. In pounds of sugar per vine, ECB averaged 3.2, versus 2.1 non-irrigated."

Water application under ECB is dramatically low. "It requires one-third to one-half the amount of water needed to furrow-irrigation row crops, and about one-half of what grape growers previously thought necessary," Neja reported.

Infra-red aerial photography has aided Monterey County investigators in evaluating vine conditions, whether still growing, defoliating, or in a "holding pattern." "We've found that night time irrigation gets better results; reduced water loss from evaporation and, therefore, minimized salt concentration on leaves," the viticulturist said.

Ultimately the consumer will judge the merits of irrigation versus natural rainfall. But leading California vintners already are reaching the conclusion that European prejudices in wine-making are in for some shattering disillusionment.

NEW POSTAL SERVICE POLICY WILL BENEFIT CONGRESSMEN

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. FORD of Michigan. Mr. Speaker, I would like to call attention to two policy changes just announced by Postmaster General Benjamin F. Bailar which will be of interest to all our colleagues in the House and Senate.

These changes were made by Mr. Bailar after consultation with members of the Post Office and Civil Service Committee, and I want to express my appreciation to him for a fine gesture of cooperation and an indication of a new openness in the Postal Service.

For a number of years, many of us have strenuously opposed a Postal Service rule which prohibited Postmasters from responding to a simple congressional inquiry. Instead, they were instructed to forward all congressional mail to Postal Service headquarters in Washington.

Mr. Bailar has now reversed this shortsighted policy and authorized "Postmasters and Sectional Center Managers . . . to respond to congressional inquiries received directly on matters under their jurisdiction affecting the customers and services of the postal office or sectional center."

In a second order, Mr. Bailar has halted another ridiculous policy barring elected officials from participating in open-house ceremonies for new and remodeled post offices. This rule, designed to augment the Postal Service policy of "keeping politics out of the post office," had often resulted in limited public knowledge or use of new postal facilities.

These "tunnel-vision" policies were inaugurated by Mr. Bailar's predecessors at the Postal Service, who had ignored or overlooked the problems that had been created by them, even when brought to their attention.

I am most pleased that Mr. Bailar has expressed his willingness to make needed changes in postal policies, and I commend him for his cooperative attitude.

For the benefit of my colleagues, the two new postal orders are herewith printed:

POSTAL BULLETIN NOTICE ON CONGRESSIONAL PROCEDURES

It is of the utmost importance that inquiries from Congressional offices receive prompt and accurate attention. All levels of management are expected to assist toward successfully meeting this objective. In this regard, Postmasters and Sectional Center Managers are authorized to respond to Congressional inquiries received directly on matters under their jurisdiction affecting the customers and services of the post office or sectional center. Information copies of Postmaster and Sectional Center Manager responses and memoranda recording verbal responses, as well as questions received directly involving policy matters (which should be forwarded to Headquarters for answering), will be collected by the Sectional Center Manager for forwarding to the Assistant Postmaster General, Government Relations Department, United States Postal Service, Washington, D.C. 20260. Policy matters are interpreted to include but are not limited to such answers as mail classification, rate making, contracting, real estate, interpretation of the collective bargaining agreement, personnel policies, arbitration, appointments, and promotions. The existing procedural framework governing labor/management relations must be maintained at all times.

POSTAL BULLETIN NOTICE ON OPEN HOUSES

When new or substantially remodeled buildings are occupied by the Postal Service, open houses should be held for the general public, employees, their families, and friends. Ceremonies will be informal and will not include speeches. National, state, and local elected officials will be invited. As far in advance of an opening as possible, postmasters should contact their Sectional Center Managers for detailed instructions, which will be furnished.

U.S. PRESENCE VITAL IN ASIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. DERWINSKI. Mr. Speaker, at a time when the President has just returned from a trip to Asia and announced a new Pacific doctrine which bears the imprint of Secretary Kissinger, I believe the Members ought to ponder the message of Harry G. Wiles, the American Legion commander, who has also just returned from an Asian trip. As a Legionnaire, I recommend Commander Wiles' message to the Members:

THE COMMANDER'S MESSAGE—U.S. PRESENCE VITAL IN ASIA

A curious Asian big power triangle balances precariously on the Korean peninsula in the wake of the Communist conquest of Southeast Asia.

Contrary to their propaganda broadsides, both the Soviet Union and Communist China appear anxious that the United States maintain a meaningful and conspicuous military presence in the western Pacific.

This is an inescapable conclusion after a 19-day trip to the Far East that took me to Guam, the Philippines, Taiwan, Hong Kong, the Republic of Korea and Japan.

In country after country, in conversations with American military men and diplomats and with Asian officials and ordinary citizens, the arguments are repeated.

As men on the perimeter of Communist China see it, Moscow and Peking are both maneuvering to avoid any incident or confrontation that might force one or the other to make overt military moves. The presence of American power in Korea, in Japan, the Philippines and the Marianas heightens Communist caution.

But these same men also agree that Kim Il-Sung, the bellicose premier of Communist North Korea, could upset the fragile balance. A sudden North Korean attack on South Korea would immediately involve the American forces guarding the demilitarized zone between the two states. Just as quickly, it would force Moscow's and Peking's hands.

The Asia-watchers with whom I spoke see few options in such a situation. Neither Moscow nor Peking could afford to see the other gain ascendancy in the Asian Communist world, nor could either allow Kim to be driven northward by American-South Korean arms.

From the American standpoint, a North Korean conquest of South Korea is equally unacceptable. Communist control of the strategic peninsula would constitute a dagger pointed at the heart of Japan, America's No. 1 trading partner and the anchor of its power and prestige in Asia and the western Pacific.

Why then is the balance so precarious? Why is there continuing concern about a new Korean conflict?

The answers center on the personality of Kim Il-Sung. He is described often as a man obsessed with the idea of reunifying Korea under his Communist banner. He is growing old. His health is reported to be failing.

Immediately after the fall of South Vietnam, Kim traveled to Peking and then to Moscow. It is reported that he sought the support of the Communist giants for an attack southward. He was rebuffed by both the Russians and the Chinese. But this does not mean he was dissuaded. His own economy and society are in a shambles. His grandiose social schemes have collapsed. He rules within increasing severity. The combination

of his problems and his ego, many experts fear, could convince him that he has "nothing to lose" in a wild adventure that would threaten the peace of the world.

In this climate of nervous tension, I was proud to be national commander of an organization that has consistently called for strong, modern American military forces capable of pursuing the nation's interests anywhere in the world. I was proud, too, that the American Legion just recently reaffirmed its support of American commitments to the Republic of Korea, Japan, Taiwan and our other friends on the perimeter of Asia.

Indochina has been lost, but in the months that have followed the tragedies of Vietnam, Cambodia and Laos, there has emerged a new appreciation of the American role in the Far East. Throughout the arc that swings from Hong Kong to Seoul there is a keen awareness that without conspicuous U.S. power there can be no stability, no real hope for a future.

There were no "Yankee Go Home" signs along my itinerary. Even in the Philippines, where President Marcos has made some public statements that have been interpreted as anti-American, men close to Marcos sought to assure me that such statements are based on domestic and Asian political situations and do not represent Marcos' real feelings.

In Seoul and Taipei, the official attitude is almost a plea. For those people an American retreat would be an immediate catastrophe.

This is not to say that there should be no changes in the U.S. military posture in the Far East. It is obvious that American power is shifting toward Guam and the Marianas. New weapons, ships and planes are bringing changes in strategy. We have highly competent Navy, Army and Air Force leaders who are adjusting quickly and decisively to post-Vietnam realities.

But despite Vietnam, one reality remains constant: the United States has a major stake in the Far East and the western Pacific. It cannot be ignored.

I saw it reflected in the cold hatred of a Communist North Korean guard at Panmunjom who glared at me from only 30 feet away. I saw it reflected in our national cemeteries at Manila and Honolulu and in a native Filipino cemetery reserved for men who had died fighting alongside American troops in World War II. I saw it reflected in the bustling streets of Tokyo, the American military bases in Japan, Korea and Guam and in the eyes of worried men in Taipei and Seoul and Manila.

We are on the right track, comrades. Our resolutions and mandates strengthen the hopes for peace and freedom around the rim of Asia.

Let's stick by them!

A CENTURY OF REPORTING

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. LAGOMARSINO. Mr. Speaker, 100 years ago November 6, 1975, the ancestry of the Ventura County Star-Free Press began. It was fostered through a series of proprietorships, conflicts and amalgamations but always with dedication to journalistic principles. In 1925 as a result of these transactions, young Roy David Pinkerton emerged with the County Star. Mr. Pinkerton introduced the publication on June 15, 1925, with an editorial on the front page in which

he made clear the County Star would represent more than just the city of San Buenaventura as its name would indicate. "We propose to serve faithfully the people of all Ventura County. In our covering of the news, in our editorial treatment of the issues, in our circulation program, we always will remember that we represent this big, fertile, beautiful, happy district—all of it."

The County Star's first office was in a garage leased from the Lagomarsino family—yes, my family. From this humble beginning it had, on its first anniversary, 2,531 paid circulation. The following year Col. Milton McRae, the guardian of 15-year-old John Paul Scripps, invested in the Star, using a part of the Scripps inheritance. This was the beginning of the John Paul Scripps Newspapers as an organization.

In April, 1937, the Ventura County Star-Free Press was born from an amalgamation of the Free Press and the County Star.

The buildings, the people, the times have changed, but the dedication and purpose remain the same; to print the news honestly, decently and fearlessly; and in politics to be independent, but not neutral, standing for the man or the measure "which seems to us to be for the welfare of the whole public."

Because of this singular dedication to the journalistic profession I ask the Members of the House to join with me in extending congratulations to the Ventura County Star-Free Press on the occasion of its 100th anniversary.

TRIBUTE TO MARSHALL McGRATH

HON. BROCK ADAMS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. ADAMS. Mr. Speaker, in September of this year, I spoke to the American Paper Institute in Prout's Neck, Maine. The occasion was greatly saddened by the news of the sudden and tragic death of Marshall McGrath, who had ably represented the International Paper Co., in Washington, D.C., for many years.

In his work, he had gained the affection and respect, not only of his colleagues in the paper industry, but of the many Members and their staffs with whom he worked on legislative matters. He was an able, articulate and honest spokesman for the paper industry, and we will all miss his calm advice and counsel.

At the Prout's Neck meeting, Gerald Vaughan gave a moving eulogy to his friend, Marshall McGrath, and I would like to include the text of his remarks in *RECORD*. I also want to take this opportunity to extend my deepest sympathy to his wife and daughter—they have lost a husband and a father in whose memory they can take pride.

MARSHALL McGRATH

One of the greatest strengths of the API Government Affairs Committee is a kind of camaraderie, which—in today's business

world—is a rare and priceless thing. As the Committee gathers here in this lovely place, we do so with a deep sense of sorrow, for one of our comrades has fallen.

I will not recite Marshall McGrath's accomplishments and biographical details, because, among his close friends, this is unnecessary. Further, Marshall would not be pleased. "Don't bore them", he would say, "they are my friends."

Rather, I would simply like to point out the fact that these arrangements which we will follow for the next few days, are fitting tribute to Marshall. This serene, quiet, beautiful spot was hand picked by him. And it rather fits the man, for Marshall was serene, quiet. And, yes, a beautiful man. But—in all of its serenity—it is also a strong, rugged place; a rock-like spot, able to withstand the winds and water of winter storms.

Marshall possessed this kind of quality, too. He was strong, and when the chips were down, he was the kind of man who quietly, and courageously led us in the direction of doing what was right.

He leaves his wife, Carolyn, and his daughter, Cheryl. We share in their grief, for they are part of us; they, like Marshall, help us. But I have thought so much of the fact that when the next several days are past and the finality of it all sets in, what a legacy he has left them. Their thoughts of a husband and father—of the understanding and compassion of Marshall—will sustain them during the lonely time, just as his legacy will sustain us.

And, now, here's where Marshall would be saying, "Vaughan, you've said enough! Get on with it."

However, I have one more thought I know you all share—Marshall, we miss you, we thank you—and we shall always walk in your shadow.

OAK PARK RIVER FOREST HIGH SCHOOL'S POLLUTION CONTROL CENTER

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. HYDE. Mr. Speaker, the Oak Park River Forest High School's Pollution Control Center in Illinois' Sixth Congressional District which I have the honor to represent, has again earned well-deserved national recognition for its continuing program to sharpen public environmental awareness.

On December 5, the center's student director, John Fanta, and its faculty adviser, Edward Radatz, accepted for the center the Distinguished Service Citation in this year's national awards program here in Washington, D.C., conducted by Keeping America Beautiful, Inc.

The center was specifically commended for its ongoing program of community information and assistance regarding environmental matters, its support for the recycling center it founded in 1971, its scholarship fund which sponsors student attendance at university environmental workshops, and for its program of student lectures at local elementary schools.

This was not the first national recognition for the school's pollution control center. In 1972, Oak Park River Forest High School, and three other high

schools nationwide, received in a White House ceremony, the first awards made in EPA's Presidential environmental merit awards program.

I do not need to tell anyone in this Chamber of the importance to this Nation's future of a broad public understanding of the interrelationships of environmental factors and broad public support for cost-effective pollution control and reclamation activities. We need, throughout the Nation, a proliferation of high school and community awareness programs similar to those provided by Oak Park River Forest High School's pollution control center. This center has set a high standard of excellence and effectiveness that I commend to high school students everywhere.

I congratulate specifically John Fanta, the center's student director, son of Mr. and Mrs. Paul E. Fanta of 947 South Clinton Avenue in Oak Park. John has been interested in environmental protection since becoming a Boy Scout in Lincoln Elementary School's Troop 35 where he is now junior assistant scoutmaster and a Life Scout. John is a National Merit Scholar semifinalist, and upon graduation looks forward to attending prelaw course at Harvard or Stanford universities and is considering a career in environmental law.

Edward Radatz has taught environmental science and biology at Oak Park River Forest High School the past 7 years and has been faculty adviser for the pollution control center since its founding 5 years ago. His counseling and leadership has been an inspiration in the development of the center.

I congratulate him and all the dedicated students who make the pollution control center the force for community improvement which it is.

AMERICAN FARMS NEED EXPORT MARKETS

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. SEBELIUS. Mr. Speaker, the record-breaking farm output in 1975 can be a real source of pride and achievement for American farmers and for the Nation as well. Meeting a challenge to increase grain production, U.S. grain producers answered the call by producing a record yield.

Unfortunately, marketing efforts by farmers have been seriously hampered by unwarranted public fear of food shortages and high food prices. This misunderstanding and distrust has thwarted farmer efforts to grain profitable returns for the 1975 grain crops.

In this regard the following article is the last of a series of 10 messages sponsored by the Far Mar Co. Inc., Hutchinson, Kans. in U.S. News & World Report to promote public awareness and understanding of farm issues. Again, I commend Mr. George Voth, executive vice-president of Far Mar Co. for his fine

efforts to keep a spotlight on the importance of grain exports to our national economy. The article follows:

AS WE STRIVE FOR A BETTER WORLD, WHO DO YOU WANT TO LEAVE OUT?

700 million people in this world live with the constant gnawing pains of hunger. And their eventual death by starvation is a fact they try to live with.

If that isn't bad enough, every week the world's population increases by another 1.4 million.

In the past, our food reserves have been available to alleviate the agony of famines. The American farmer has always produced abundant food. But today, our food reserve is the lowest it's been in a quarter of a century.

And the incentive for the farmer to increase production is dwindling. Fertilizer, fuel, equipment, and supply costs are not encouraging to him. In just the last two years, fertilizer prices have increased 196% and diesel fuel is up 189%.

But if he tries to get by on less fertilizer and fuel, yields will suffer.

On the other hand, if he invests more in his crops, and the higher production saturates our nation's needs to the point prices are driven down, he will have only hastened his own demise.

With the voluminous need for our food production throughout the world, it only makes sense to keep these foreign markets available to the American farmer.

This demand will create the incentive he needs to produce the needed food. And the U.S. will have the commodities for foreign trade. Commodities which have proven to be the primary source for generating a favorable balance of trade.

People throughout the world need food. Food the American farmer can produce. But we can't expect him to do it without a profitable return on his investment.

JOBS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. HARRINGTON. Mr. Speaker, the current attitude of apparent satisfaction among administration economists with regard to the chronically high unemployment rate strongly indicates that the view from the White House has little relationship to the realities we face each day. We are routinely reassured by the administration that the recession has officially ended, yet millions of Americans continue to be victimized by economic policies which have proved unsympathetic to their desire to obtain a job. I wish to share with my colleagues two articles which may help to shed some understanding on this subject.

The first article entitled "How Jobs Could Fight Inflation," by Tom Wicker, was published in the October 16 issue of the New York Times. In article, Wicker expounds on the optimistic characteristics that are featured in the Equal Opportunity and Full Employment Act of 1976; sponsored by Representative HAWKINS and Senator HUMPHREY.

The second article, "Giving Them Anything, It Seems, but a Job," by Alan Gartner and Marjorie Gellermann appeared in the September 6 issue of the New York Times. The authors' point out

how national policy has shifted focus to the effects of unemployment rather than the need to lower the rate itself. The largest increase for the 1976 domestic budget will be for unemployment compensation. As the article indicates, these costs could be transferred to emergency jobs programs and jobs training programs. However, the continuing trend has been to stop funds for these work incentive programs.

I recommend that my colleagues take a moment to read the observations made by these authors on the neglected subject of jobs.

The text of the two articles follow:

HOW JOBS COULD FIGHT INFLATION

(By Tom Wicker)

One of the most widely accepted economic propositions of our time, endorsed by Keynesian liberals as well as conservatives, is that the achievement of full employment will inevitably bring price inflation. The so-called "Phillips curve" even calibrates the connection—the lower the rate of unemployment, the higher the rate of inflation, and vice versa.

It is upon this proposition that Gerald Ford based his veto of emergency jobs legislation, and a Gallup Poll showing that most American view inflation as a greater danger than unemployment gives his position considerable political validity. Obviously, he believes the voters will choose an "inflation fighter" over a "spender" next year, even if the spender's stated purpose is to put the unemployed to work.

The belief in an inflation-unemployment trade-off also is at the root of the relative timidity of the Democrats in pushing for measures to reduce unemployment, and the relative weakness of the measures they have supported. And the fear of inflation is no doubt the primary reason why the far reaching Hawkins-Humphrey bill—which would be aimed at producing true full employment, not just 4-to-6 percent unemployment—does not have much chance to pass, and would surely be vetoed if it did.

Given such consequences, is the belief in the inflation-unemployment trade-off valid? A number of economists, possibly a growing number, do not think so. Their general case is set down lucidly by Peter Barnes in the Fall 1975 issue of Working Papers—a special issue devoted to "politics and programs for 1976."

Mr. Barnes, now an official in the Presidential campaign of Fred Harris, is arguing for a guaranteed-job program. He recognizes that supporters of such a plan either must attack the idea that full employment would cause inflation, or argue—more dubiously—that putting the unemployed to work would be worth having higher prices for everybody.

The case he states is that full employment would not necessarily cause inflation, and that might even "promote price stability." This is based on the idea that, contrary to the Phillips-curve proposition, "prices no longer fluctuate in accordance with supply and demand" in the American economy. Instead, as evidenced recently with automobiles, falling demand leads to higher prices, as the volume of production diminishes and per-unit costs rise. In economic areas where major industries "administer" prices, they raise them to compensate for lower volume and higher costs.

In this thesis, unemployment does not fight the resulting price inflation. It feeds it, since it reduces demand, thereby encouraging a further round of administered price increases to compensate for lowered volume. It follows that putting the unemployed to work would fight administered-price in-

flation, because the newly employed workers would not only increase aggregate demand but add to the supply of goods and services, and thus tend to promote price stability.

Since many of the unemployed are paid something, through compensation plans or welfare, but produce nothing, paying them wages for productive work should result in a net increase of aggregate supply over aggregate demand. Putting them to work also should increase the volume of production. Both factors actually would tend to lower rather than increase prices.

As for the Federal budget deficit, since it is largely the product of the drop in tax revenues attributable to unemployment, a successful full-employment program would tend to reduce the deficit, hence pressures on the credit markets. Interest rates therefore would remain at reasonable levels. Even President Ford's budget report conceded that "if the economy were to be as fully employed in 1976 as it was in 1974, we would have \$40 billion in additional tax receipts, assuming no change in tax rates, and \$12.7-billion less in aid to the unemployed." That's \$52.7 billion more revenue at 1974 tax and employment levels—and the latter was not true full employment.

For all these reasons, the Congressional Democrats may have a more significant instrument in their hands than many now think—the Hawkins-Humphrey bill. It would give every American an enforceable right to a job, make full employment the measure of the fiscal and monetary policies of all Federal agencies, establish federally administered "job reservoirs" meshing private and public employment, and set up a Standby Job Corps for the public employment of those waiting for permanent jobs. Mr. Ford's certain veto of such a bill, if the Democrats should pass it, would draw the issue sharply for the election next year.

GIVING THEM ANYTHING, IT SEEMS, BUT A JOB

(By Alan Gartner and Marjorie Gellermann)

The United States is on the brink of becoming a permanently divided society—a society deeply split between the ever fewer who are employed and the ever more who, while willing and able to work, cannot find employment on a sustained basis.

In the last two years, unemployment has risen from 4.9 per cent to 8.4 per cent of the work force—or in human terms, at last count, 9.4 million people could not find work, 8.2 million were "officially" unemployed, and 1.2 million more were too discouraged to seek work.

While the increase in unemployment had been accompanied by downturns in the major indicators of economic activity, recently the two trends have begun to diverge. Despite the improvement in industrial-production levels and other leading economic indicators, most economists, including those in the Administration, predict high levels of unemployment for the next several years.

Meanwhile, national policy initiatives focus on ways not to end unemployment but to soften its effects. Unemployment compensation up to 65 weeks for some jobless workers has been authorized. President Ford proposes to extend these payments still further, expand the coverage, and raise the benefit level. Indeed, in the fiscal year 1976 domestic budget the largest single increase is for unemployment compensation.

A wide variety of other income surrogates or supplements have been put forth. The Department of Transportation funds "transportation stamps," while the Federal Energy Administration proposes "energy stamps" to help the poor pay their rising utility bills. Others propose "clothing stamps" as well as further expansion of the food-stamp program.

Democrats favor the payment of health-insurance premiums for the formerly employed, as well as Government loans to defer mortgage payments. Even the limited opportunities afforded by public-service employment are shunned. Everything is proposed, it seems, except income earned through a job.

The basic wealth of the country may be great enough to allow the trend toward subsidizing unemployment to continue and even to grow. But we need to give careful attention to the consequences of a policy that departs so radically from basic American values.

Through work, people have not only earned their living but, also, derived much of their identity and feeling of self-confidence and self-worth.

That the very foundations of their personal lives are shaken is suggested by the evidence indicating that when the unemployment rate goes up so does the suicide rate, the rate of new admissions to mental hospitals, the rate of new prison incarcerations, the rate of family breakups, and the rate of infant mortality.

And what of the effect on the larger society? There are the costs to the employed, whose hold on their own jobs is made uncertain, whose real income is held down, and whose collective-bargaining rights are threatened; to the consumers, whose needs are unmet because of the diminishing stock of goods and services produced; to the general public, which suffers doubly from the loss of tax revenues that could be generated were the unemployed at work, and from the use of public funds to maintain its jobless members. Finally, there is the cost to Americans generally as their confidence in the ability of their society to provide for the well-being of its people is increasingly eroded.

Yet the policies now being approved and carried out may well have the effect of institutionalizing unemployment. Substitutes for income earned through gainful employment do enable the recipient to survive but they can only reinforce the feelings of dependency, impotence and despair that accompany unemployment.

It is possible to guarantee to every person willing and able to work a job at decent wages. While over the long run this can best be achieved by comprehensive economic-planning measures, in the short run public-service employment programs could drive the unemployment rate down to 3 per cent in 18 months at a net cost of only \$10.7 billion annually—in other words, at a cost of less than half of the tax rebate that President Ford now talks about for next year.

And it is also possible to achieve the goal of full employment without intensifying our inflation problem—indeed, full employment, with increased production of goods and services, would be anti-inflationary. The endemic national problem of inflation, however, can probably only be resolved if the guarantee of a job is linked with additional measures such as price and profit controls and credit and wage guidelines.

What seems strange, indeed, is that our leaders prefer a set of policies that deeply and dangerously divide our society between those who may work and those who may not.

FOOD STAMP FIGURES CONFUSING

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. FINDLEY. Mr. Speaker, the food stamp program administered by the De-

partment of Agriculture has been subjected to severe criticism recently, with considerable justification. Yet each criticism is rebutted with heartening statistics presented by the Department of Agriculture. For example, the Food and Nutrition Service report to the Senate Committee on Agriculture and Forestry in response to Senate Resolution 58, asserts that, for statistical purposes, zero percent of food stamp recipient households have incomes greater than \$10,000 per year. This figure has been repeatedly cited in the media by defenders of the existing program. For example, the New York Times on November 20, 1975, used it in an article by Ronald F. Pollack. The Boston Globe of November 17, 1975, page 25, also cites this figure. The Food and Nutrition Service also maintains that its fraud rate is miniscule—only eight one-hundredths of 1 percent, a figure widely repeated.

Yet I turn to the current population survey conducted by the Census Bureau and read that almost 12 percent of the participants in the food stamp program have incomes above \$10,000 per year, and 4.4 percent have incomes above \$15,000 per year. The Wall Street Journal on December 20, 1974, carried a story regarding middle income use of food stamps, and cited the case of a \$15,000 per year mechanic and his family, with a house, and such luxuries as two TV sets and a pool table, who received food stamps—with a food stamp bonus of \$49 monthly. The conflicts between the figures provided by the Food and Nutrition Service and figures provided by other equally reputable sources cloud the issues of food stamp reform, and confuse those seeking to determine whether and to what extent abuses occur.

When the next session of Congress convenes, it will begin a hopefully meaningful reform of the food stamp program. I must seriously question the efficacy of any reform of the food stamp program which is predicated upon frequently conflicting sources of information. It is certainly in the best interest of the Nation to eliminate widespread abuses in the food stamp program rather than hide them by statistical legerdemain.

PURGING THE PROPAGANDISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on September 3, 1975, I placed on page 27477 of the CONGRESSIONAL RECORD the results of a public opinion poll conducted by Gallup international both inside and outside Chile. The poll clearly showed that the image of the present Chilean Government in the eyes of the Chilean people is very favorable, while the image is very unfavorable in the eyes of the international community. Gallup international concludes that—

It is not possible to deny that the international image of Chile, a product mainly

of informations transmitted through mass communications media and talks with friends, radically differs from the opinion held by people living in that country, in direct and permanent contact with the actual situation existing therein.

This poll clearly illustrates the existence of a propaganda campaign being waged against Chile by many elements of the American and world press, a campaign which continues unabated. A recent example is a column by Jack Anderson in the Washington Post of November 16 entitled "Purging the Christian Democrats."

While it is generally understood that if Mr. Anderson says it then the opposite is true, there may be some who are unaware of his well-earned reputation. Thus in the interest of fairness and accuracy, I would like to bring to the attention of my colleagues not only Mr. Anderson's column, but also a reply and refutation by Manuel Trucco, Chile's Ambassador to the United States:

PURGING THE CHRISTIAN DEMOCRATS
(By Jack Anderson)

Chile's military dictatorship, having outlawed the communists and socialists, has now set out to destroy the moderate Christian Democratic Party.

The junta is secretly scheming to develop a political system without politicians or parties. Among the generals, this is called the "Paraguayan Solution," because it was successfully imposed on Paraguay by dictator Alfredo Stroessner.

We have discussed our evidence in detail with both Chile's Minister of Justice Miguel Schweitzer and Ambassador to Washington Manuel Trucco. Both vehemently denied that their government has any intention of eliminating the Christian Democratic Party and, thereby, extinguishing democracy forever in Chile.

Yet we have received convincing evidence to the contrary. It has come from classified intelligence reports, discussions with American authorities and confidential documents smuggled to us from some of the most respected Christian Democratic leaders in Chile.

As early as last July, we saw intelligence reports from Santiago, which claimed the junta was turning against the Christian Democrats. "The U.S. embassy predicts," we reported, "that the military government shortly will outlaw all political parties in Chile."

Chilean sources, whose reliability cannot be questioned, also told us that the junta had decided to move against the Christian Democrats. The decision had been reached, according to these sources, at a secret cabinet meeting.

Not long afterward, agents of the dreaded DINA, the Chilean Intelligence Directorate, began to move against Christian Democrats on a global scale. There is reason to believe, for example, that DINA has hired thugs to track down and assassinate prominent exiles.

Bernardo Leighton, one of the founders of Chile's Christian Democratic Party, was brutally gunned down, along with his wife, on the streets of Rome last month. He barely survived.

Italian police have called it a political crime but have failed to nail the culprits. Diplomatic sources consider it more than an idle coincidence, however, that French police reportedly corralled a trio of DINA agents at Orly Airport in Paris three days after the attempted murder of the Leightons.

The three DINA men were following a female Chilean exile. They were interrogated and then put aboard a plane for Santiago.

Chile's Paris embassy originally declined comment but has now denied the entire incident.

DINA agents in Europe receive instructions, according to high-level sources, from Madrid, which is the center of DINA activity in Europe. A contingent of Chilean intelligence agents operate out of the Spanish capital under the direction of Col. Pedro Ewing, a central figure in the coup which overthrew the late President Salvador Allende.

Ostensibly, they handle security matters for Chile's European embassies. But their undercover mission, say our sources, is to keep watch on Chilean exiles.

Here in the United States, two prominent Christian Democratic exiles have been marked for murder. Gabriel Valdes, a former foreign minister, and Rodomiro Tomic, who ran against Allende for the presidency in 1970, were warned of the assassination danger by reliable sources.

Not the least of these was the U.S. embassy in Santiago. The FBI considered the threats so credible that special details were ordered to protect Valdes and Tomic.

As added evidence of the campaign to wipe out the Christian Democrats, a string of ominous events has occurred in Chile. Here are a few of the stories that have been smuggled to us:

A former Christian Democrat Congressman, Pedro Araya Ortiz, was arrested in September and tortured at the infamous Tres Alamos military prison. He was subjected to repeated electric shocks and cigarette burns. From the scars on his body, doctors later confirmed he had been hideously tortured.

DINA conducted a raid on the home of Jaime Castillo Valasco on August 22. He was a former Minister of Justice under Christian Democratic President Eduardo Frei. More recently, Castillo has been defending political prisoners of the military regime. The Chilean embassy didn't deny the raid had taken place but claimed Castillo was violently anti-junta and the uncle of a leftist revolutionary.

"Prior censorship" has been imposed on Radio Balmaceda, a station owned by the Christian Democratic Party. Spokesman for the junta claimed that the Christian Democrats still speak out against the regime.

Last August, 50 professors and students were arrested at the eastern branch of the University of Chile de Santiago. Many were members of the Christian Democratic Party. Chilean officials claim some of those arrested were revolutionaries in disguise. Those who were not, the officials say, were released immediately.

Six professors of political science were arbitrarily dismissed at Catholic University of Chile for organizing a seminar on the future of democracy in the world. One of the participants was supposed to be former President Eduardo Frei, who had been a professor at the same university for 15 years. He was denied the opportunity to speak at the seminar.

At Northern University in Copiapo, three officials and 17 professors were arrested last March. They were released in July and re-arrested as they left the prison.

Labor leaders at some of Chile's largest copper mines, including Potrerillos, El Salvador, Llanas and Barquitos, have been arrested. Many were members of the Christian Democratic Party. According to documents smuggled to us, many were beaten and tortured. The Chilean embassy argued that most of those apprehended were really revolutionaries who were plotting to destroy property.

Last August 18, over 1900 officials and employees of the Agricultural Service of the Chilean government were abruptly dismissed. They included lawyers, technicians and administrative personnel. Other mass purges are under way, according to our sources, in ENDESA, the national election company.

Most of those dismissed were Christian Democrats. Chilean officials denied any deliberate attempt to punish the Christian Democrats. They were merely merging agencies and slashing budgets, said the officials.

Footnote: Technically, political parties still exist in Chile, albeit in a legal limbo. The junta simply has declared them "in recess" and has forbidden them from making official statements on political matters. Top Christian Democratic leaders selected our column as the outlet for telling their story to the world. They contacted us secretly as individuals, however, not as representatives of any party.

—
WASHINGTON, D.C.,
November 18, 1975.

MR. JACK ANDERSON,
Washington, D.C.

DEAR MR. ANDERSON: Your column, "Purging the Christian Democrats" which appeared in "The Washington Post" November 16th, contains errors in fact and comments on the Chilean Government's purported intentions and alleged scheming that border on calumny and slander.

The publication of unverified accusations is all the more serious because of your recent conversations with the Minister of Justice of Chile, Mr. Miguel Schweitzer, and with me, and later conversations by your Joseph Spear with personnel of this Embassy, in which we sought to clarify inaccurate information which unfortunately you have insisted on publishing.

Item: Secret scheme to impose what you refer to as the "Paraguayan Solution."

Fact: Absolutely false. We are completely unaware of any such "Solution" and the Chilean Government is not interested in any political system that differs from that indicated in its "Declaration of Principles." This Declaration is not a secret document. It has been distributed throughout the world in English, French, German and Spanish.

Since you charge that "the Junta is secretly scheming" to introduce the above "Solution", it is to be assumed that your information comes directly from one of the members of this "dictatorial Junta" that you so violently denounce?

Item: "Chilean sources, whose reliability cannot be questioned. . ."

The fact that these "Chilean sources" obviously have an axe to grind makes any information emanating from them questionable. As you know, there are at this time several Catholic priests under arrest in Chile because of complicity with terrorist groups belonging to organizations cited by you in our private conversation as one of your "reliable sources." I believe no comment is necessary.

Item: Reference to the dastardly attempt to assassinate Mr. Bernardo Leighton and his wife in Rome, and the allegation that DINA was following a female exile in Paris.

Fact: Running these two items together leaves the impression that the Chilean Government was involved in both.

It is absolutely untrue that the Chilean Government had anything to do with the attempt on the Leighton's life and I most strongly reject this gratuitous imputation.

Furthermore, the tale about the DINA and the female exile is also a lie. Check with the French authorities in Paris or the Chilean Embassy in Paris.

Item: "A contingent of Chilean intelligence agents operates out of the Spanish capital, under the direction of Col. Pedro Ewing. . ."

Fact: Another calumnious affirmation. Col. Pedro Ewing is a distinguished army officer, the Military Attache at the Chilean Embassy in Madrid. His functions are strictly professional. Unfortunately, Chile cannot afford to maintain security services for its embassies. As a result, an attempt was made months ago

to assassinate the Chilean Ambassador in Lebanon. His wife was critically wounded and he will be paralyzed for the rest of his life. If we had had proper "security" this crime might have been avoided, as well as other terrorist attacks which our embassies and our diplomats have suffered in several other countries. Until this moment, we have had no information of your preoccupation about this matter, directly connected to international leftist terrorism.

Item: "Here in the United States, two prominent Christian Democratic exiles have been marked for murder, Gabriel Valdes, a former foreign minister, and Radomiro Tomic, who ran against Allende for the presidency in 1970 . . ."

Fact: Neither of these men is in exile.

Mr. Valdes, a rich and prominent aristocrat, left Chile in 1970 after Salvador Allende was elected president, to become Director for Latin America of the United Nations Development Program. Up to last year, two of Mr. Valdes' sons studied in fine American universities under scholarships granted through the present Chilean Government. On September 11, 1973, television viewers in the United States saw him leave his east side residence in Manhattan, accompanied by "personal guards" on his way to Kennedy Airport. Mr. Valdes made it known that he was on his way to Chile to become President of the Junta, which had overthrown Allende that very day. The inclination to mythomania encouraged by his American supporters, who are coordinating and financing the so-called "resistance" to the Chilean Government, is supporting Mr. Valdes' dreams of threats and bodyguards.

Radomiro Tomic is absent from Chile as he has been frequently during his adult life, but never against his own wishes and free will. After leaving Texas and Washington, he is now in Europe. In the 1970 presidential elections Tomic ran a poor third.

The charge that Messrs. Valdes and Tomic are "marked for murder" is absolutely ridiculous, and would be completely false and slanderous if attributed to the Government of Chile.

Item: "DINA conducted a raid on the home of Jaime Castillo Velasco . . . a former Minister of Justice under Christian Democratic President Eduardo Frei".

Fact: Mr. Castillo Velasco has not filed any protest with any court. As you recall in your article, he is the uncle of Carmen Castillo, a terrorist and intimate friend of the late Miguel Enriquez, a leftist terrorist leader who was killed in a battle with police after he had robbed a Santiago Bank. The Chilean Government gave Carmen Castillo a visa and her official residence today is London. However, she visits the United States, Canada, Mexico and Cuba regularly to collect funds for anti-government activities in Chile. She is one of the "reliable" sources of many journalists who have been attacking Chile on the basis of false information.

Item: "A former Christian Democratic Congressman, Pedro Araya Ortiz, was arrested . . . and tortured . . ."

Fact: The Minister of Interior has ordered a thorough investigation of these charges and Minister of Justice, Miguel Schweitzer, has offered Mr. Anderson a complete review of such assertion. Until these inquiries are completed, affirmations of any kind would be purely speculative.

Item: "Last August, 50 professors and students were arrested at the eastern branch of the University of Chile in Santiago."

Fact: Many of the arrested have been released, others have returned to their university functions, and only a few who, ironically, belonged to the "security personnel of the University" (guards and doormen), are under arrest for breaking the law.

Item: "Six professors of political science were arbitrarily dismissed at Catholic Uni-

versity of Chile for organizing a seminar on the future of democracy in the world. One of the participants was supposed to be former President Eduardo Frei. . . . He was denied the opportunity to speak at the seminar.

Fact: University authorities, not the Government, asked for the resignation of six professors of the Catholic University, because of their political activities. This measure was taken in compliance with University regulations in effect since 1971.

The seminar was suspended by the University because it had a political, not academic objective.

Thus, not only was former President Frei left unable to appear before that seminar but also the representative of the Government who was scheduled to address the same seminar.

Item: "At Northern University in Copiapo, three officials and 17 professors were arrested last March. They were released in July and rearrested as they left the prison. Labor leaders at some of Chile's largest copper mines . . . have been arrested."

Fact: The arrest of persons who have violated the law or who are accomplices of terrorists, as has occurred at some mines or Universities in Copiapo, northern Chile, has no connection with their private activities. No one in the U.S. has accused Miss Patricia Hearst of being arrested because she is the heiress of a newspaper chain owner. It was her alleged terrorist activities which brought about her detention.

For your information, only two persons of the University in Copiapo are under arrest at this time, charged with terrorist activities.

Item: "Last August 13, over 1900 officials and employees of the Agricultural Services of the Chilean Government were abruptly dismissed. . . . Other mass purges are under way. . . . ENDESA, the national electric company."

Fact: The reduction in the number of employees in all administrative services of the country was announced well in advance by the Government and legalized by Decree No. 1025, May 1975, which established the mechanism for cutting the ranks of public employees and providing benefits and compensation to be received as retirement pay. This reduction was necessitated as an indispensable measure for slashing the inflation rate of more than 1,000% per year inherited from the Allende regime.

Only 762 functionaries—not 1900—were dismissed from the Agricultural Services and they belonged to all the political parties, not just the Christian Democrats. The same procedure was used in the case of ENDESA.

The Government's sound measures of economic policy as evidenced by the sharp decline in the inflationary rate (only 8.4% in October, compared to 21.3% in March), are offered by you as evidence of political persecution. Are the dismissed employees of the City of New York the victims of political persecution because the city is trying to avoid bankruptcy?

Item: "Top Christian Democratic leaders selected our column as the outlet for telling their story to the world."

Fact: Such evidence is questionable. One of the "top" leaders publicly accused the Chilean Government of killing his son when, unfortunately, the boy died on a London street, the victim of an incurable disease which he had suffered since childhood.

For your information, many of the most distinguished and prominent former Christian Democratic Party members, together with men of outstanding reputation from all walks of life and political positions are cooperating in the Chilean national effort of today. Their resolute action is the strongest repudiation to those who, claiming a position of importance and of moral leadership they no longer

maintain in Chile, have abandoned their country and proclaim themselves as "exiles" behind the lucrative bureaucratic posts they hold in some international organizations.

I confess I am grateful that you indicated that your information came from "top Christian Democratic leaders." The fact that some U.S. newsmen and politicians show so much interest in the survival of the Christian Democratic Party in Chile, seems to confirm the fact that an American political-religious sector seeks to establish an "American Party" in Chile.

The noted British essayist and journalist, Robert Moss, in a recent article published in the U.S., referred to the "American Party" attempt, stating that some American groups seem to engineer now the return to power of the Christian Democrats, "the American Party", at the earliest possible opportunity. Many of the blunders committed in Chile—according to Moss—might have been averted if the Americans—and some West Europeans—had made a more sustained attempt to offer practical guidance rather than try to resuscitate a long-lost past.

I trust that you are not of those who wish to impose an "American Party" on Chile, because the people of my country would reject it with the same firmness and decision with which they recently eliminated the "Soviet Party".

Sincerely,

MANUEL TRUCCO,
Ambassador.

CONCERN FOR BALTIC NATIONS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. YATRON. Mr. Speaker, I would like to take this opportunity to recall to the attention of my distinguished colleagues our dedicated deep concern and sense of well-being for the Baltic Nations of Estonia, Latvia and Lithuania who are under the illegal domination and oppression of the Soviet Union.

We are all aware that Congress will always be the major part of the watchful eye of our Nation which safeguards Democratic government at home and abroad.

We know that America will always honor its foreign commitments and hope that foreign powers will do likewise.

I was proud to be a sponsor of legislation which defends Estonia, Latvia, and Lithuania in hopes of separating them from the unwarranted seizure and annexation of the Soviet Union.

I sincerely thank my colleagues who cosponsored the Baltic resolution and those who supported its passage.

A LETTER FROM PAUL AND DEDE WILSON

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. JACOBS. Mr. Speaker, by request of Paul and Dede Wilson who are con-

ducting the Human Rights in Asia Project for the Division of Homeland Ministries of the Christian Church—Disciples of Christ—I place the following letter in the RECORD:

NOVEMBER 19, 1975.

Foreign Editor,
New York Times,
New York, N.Y.

DEAR EDITOR: President Ford is preparing to take a trip to Asia, with his plans calling for stops in Indonesia and the Republic of the Philippines. Both of these nations in the past have received very substantial economic and military aid from the U.S., and both are well-known violators of the human rights of their people. We join many U.S. citizens and their Congressional representatives who are growing increasingly ashamed about the image of the U.S.A. as a supporter of repressive governments around the world.

Recent history shows that President Ford's last trip to South Korea did nothing to change that government's repression of South Koreans. On the contrary it seemed to assure President Park that the U.S. condones, even supports, that government and its policies as exemplified in the recent executions of political prisoners and the unwarranted arrests of religious leaders. Our tacit approval of such actions enforces the belief among peoples of the Third World that the U.S. is not concerned about democracy or the rights of people who have lost their freedoms and liberty.

In light of the human rights amendment to the Economic Aid Bill recently passed by Congress, we urge your news staff to ask the administration for a public statement of the matters to be discussed while the President is in the Philippines and Indonesia. The citizens in this country have become increasingly aware of our power and influence and are trying to enter into decisions in which we, as a people, affect human rights around the world. It is only through the news media that we can obtain the basic information which helps us make responsible decisions.

It is our hope that the President's visit to Asia will be truly representative of the American people's concern to begin developing a more humane and responsible foreign policy.

If there are materials or information from our office which would be useful to you or your staff, please let us know and we will be glad to share them with you.

Sincerely,

PAUL AND DEDE WILSON,
Human Rights in Asia Project.

WHO BEARS NUCLEAR RISKS?

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. BONKER. Mr. Speaker, taxpayers and electric utility customers alike have borne for long enough the risks of responsibility for damages that a catastrophic nuclear reactor accident could cause.

Contradictions have replaced the logic of 1957 that produced the Price-Anderson Act and its provisions that shield the nuclear energy industry from ever being held fully accountable for its mistakes. Nuclear energy advocates are, in fact, today pursuing extension of Price-

Anderson with a determination that taints their claims that a nuclear powerplant is one of Man's safer endeavors and America's best future energy option.

The nuclear industry was a fledgling 19 years ago, grappling with a new technology, an unknown future and unmeasured risks when the Price-Anderson concept was conceived. A desire to insure full exploration of nuclear energy's potential gave rise to Price-Anderson, replete with its subsidy implications and its \$560 million limit on nuclear accident liability. Public policy proclaimed intent to promote and to protect this technological newcomer.

By any estimate, the nuclear industry has by now matured. It is an \$80 billion reality, operating 56 large reactors, providing nearly 8 percent of the total U.S. electric generating capacity and planning at least 85 new reactors in the United States and foreign countries.

The \$560 million liability limit has never been presented as adequate to cover the damages a reactor accident could cause; at its inception the limit was an arbitrary attempt to guarantee a measure of protection against a risk that could not be measured before there was actual reactor operating experience.

We have better information today. In the worst sort of nuclear disaster, \$560 million would be precisely 4 percent adequate to cover estimated claims for property damage alone; in other words, \$13.44 billion in property damages would not be covered. The estimates are provided in the final Rasmussen report on nuclear reactor safety, recently completed after \$4 million worth of study and 2½ years of work.

Rasmussen's \$14 billion calculation does not, of course, reflect the other losses that the study predicts a nuclear mishap could cause: 3,330 deaths, relocation of survivors from a 290-square-mile area, and monitoring of agricultural commodities such as milk for 1 or 2 months within 14,500 square miles around the accident site.

The Price-Anderson limit, totally inadequate though it is, has further failed to keep pace even with the effects of inflation. The limit on liability originally set in 1957 would be equivalent to about \$3 billion today.

Rasmussen also calculates that the chances of a worst possible nuclear accident occurring are 1 in 1 billion. The Joint Committee on Atomic Energy, by recommending extension of Price-Anderson without holding any hearings on the Rasmussen report, suggests that the report's conclusions are judged to be sound. Nuclear advocates are already embracing Rasmussen's probabilities as a bulwark of their response to the growing ranks of Americans concerned about just how safe nuclear reactors really are.

Acceptance of the validity of the 1 in 1 billion probability carries with it, however, acceptance of another Rasmussen conclusion that such a risk is not unique to the nuclear industry. Other endeavors, including aviation and chemical manufacture, face comparable low probability,

high-consequence accidents, and do so with unlimited liability and full responsibility to the public for their actions.

To continue Price-Anderson protection for nuclear energy risks makes no more sense than does the creation of similar protections for all domestic industries.

More than anything else, the nuclear industry appears to find the subsidy habit hard to break. It is ironic, indeed, that industry leaders can argue so forcefully for unfettered free enterprise and against Federal intervention and bureaucratic restrictions in general and yet be so defensive about the Price-Anderson restriction on free enterprise in their affairs.

Extension of the Price-Anderson liability limit is inconsistent with promoting maximum safety with nuclear energy. Elimination of the liability limit cannot help but make those who build nuclear components and who operate nuclear plants act more responsibly. It is natural to assume that a better product will be manufactured if the manufacturer is responsible for the damage that might ensue from that product.

The case for an extension of the Price-Anderson Act rests on a twisting of facts that have changed during the past 19 years. Contortion of reality is not new practice for those who cling to the promote nuclear power philosophy of the 1950's without regard for changing times and shifting public concerns. The Price-Anderson Act liability limit now runs the very real risk of becoming yet another symbol of that failure to respond to legitimate inquiries and concerns.

If the \$560 million liability limit is truly vital to protect the industry from a very real threat of catastrophe, then a full and immediate review of all the implications of a national commitment to nuclear energy is in order as a prerequisite to any further nuclear energy legislation.

If the risk of such a nightmare is truly no greater than the catastrophic risks borne without Federal help by other domestic industries, then the validity of the liability limit is lost.

Or, if extension of Price-Anderson represents, in reality, nothing more than a straight subsidy to promote nuclear energy for another decade, it should be treated as such in conjunction with comprehensive analysis of how best to allocate the limited resources available for the whole mix of energy alternatives.

In every case, the best answer is the same: Terminate the \$560 million liability limit.

MISSOURI DISTRICT FIRST TO IMPLEMENT SPEEDY TRIAL ACT

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. HUNGATE. Mr. Speaker, the Eastern Federal Judicial District of Missouri

has become the first in the United States to implement the provisions of the Speedy Trial Act, passed by Congress in 1974. And in this regard, I would like to call your attention to the following article from the St. Louis Globe-Democrat:

**MISSOURI DISTRICT FIRST TO IMPLEMENT
SPEEDY TRIAL ACT**

(By Michael Montgomery)

The eastern federal judicial district of Missouri, which includes the St. Louis area, appears to have become the first of the 94 districts in the United States to meet the stringent requirements of the Speedy Trial Act.

Congress passed the act in 1974 to assure persons charged with federal crimes that there would be no unnecessary delays in processing their cases.

The act, which was signed into law in January by President Ford, set up five phases over a four-year period for reducing the time periods between various stages of criminal proceedings.

It calls for defendants to be brought to trial under normal circumstances within 100 days of their arrest.

Under the provisions of the Speedy Trial Act, target date for implementation of the 100-day limit is July, 1979.

However, the local district, which encompasses the eastern half of the state, has already implemented such a time limit.

Under the local plan, a person arrested for violation of federal law must be indicted by the grand jury or charged in a complaint by a federal agent within 30 days of the arrest.

After public release of the indictment, or complaint, an accused person must be arraigned on the charges within 10 days. The person then must go to trial within 60 days after the arraignment.

There are several exceptions to the time limits set by the plan.

In cases where a person is arrested in another district on pending charges here, the time periods will not go into effect until the defendant is returned here.

Time limits set by the plan are also held up for delays occasioned by hearings on mental or physical competency to stand trial. A missing witness or defendant will also halt the clock on proceedings.

However, no continuances will be granted under the plan because of crowded court dockets or simply because attorneys agree it would be more convenient to try the case another time.

Under the timetable set by the act, (by 1979) a defendant must go to trial within 100 days or charges will be automatically dismissed.

This district has not yet implemented that provision.

The local plan does say, however, that if a defendant has not gone to trial within 100 days through no fault of his own that the judge with jurisdiction over his case must make every effort to release the defendant on bond although there is no guarantee that the defendant will be released.

Chief U.S. District Judge James H. Meredith has pointed out that the local time limits "do not represent a substantial departure from the courts' criminal procedures for the last six years."

"We've always done our best to move criminal cases as swiftly as possible," he said.

Meredith also pointed out that the plan will cause two changes in the usual court procedures.

Because of the time limits, defendants from the Hannibal and Cape Girardeau areas will be tried in St. Louis in many cases.

At present, a district judge holds court in those districts only two or three times a year.

U.S. CAPITULATION IN THE U.N.

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. EILBERG. Mr. Speaker, the cowardly and despicable action of the Ford administration—no doubt ordered by Secretary of State Henry Kissinger—allowing the Palestine Liberation Organization to take part in the United Nations' debate on the Middle East leaves one wondering if the administration has lost all sense of reason regarding this matter.

This action, which gives even more credibility to this gang of murderers masquerading as the freely chosen representatives of "a downtrodden people" will only serve to bring about more death and suffering in the Middle East.

The PLO has shown by its actions that it equates "diplomatic acceptance" with the right to continue to murder and terrorize the citizens of Israel. One must also wonder if this consideration ever enters into the thinking of the Secretary of State.

At this time, I enter into the RECORD a column on this problem by George F. Will, which appeared in the Friday, December 5, edition of the Washington Post:

U.S. CAPITULATION IN THE U.N.

(By George F. Will)

Another tiger of extremism is loose in the United Nations, this time with the consent of the U.S. government, which could have prevented it. In a last minute policy swerve, the U.S. dashed Israeli hopes for a veto—hopes the Israelis felt were firmly based on U.S. assurances—and voted for a resolution that the U.S. knew would guarantee participation by the Palestine Liberation Organization in next month's U.N. debate on the Middle East.

The invitation to the PLO was attached to a Security Council resolution extending the mandate of the U.N. observer force on the Golan Heights, between Israeli and Syrian forces. On the eve of expiration of the disengagement agreement, Israel agreed to renewal. But Syria, aware of the brittleness of U.S. support for Israel, opposed renewal unless it included the invitation to the PLO.

The PLO is an unelected body funded by Arab governments. It is committed to the use of terrorism in pursuit of the destruction of Israel, a U.N. member.

There is a kind of majestic brazenness to the Ford administration's argument in defense of itself. The argument is that the U.S.—by supporting a resolution that the U.S. knew would result in an invitation to the PLO—is not compromising its diplomatic boycott of the PLO. The administration argues that the PLO is invited to debate, not negotiate, therefore....

Therefore nothing. The distinction is a distinction without a difference. And the administration's feeble argument indicates that the administration is ashamed of itself. Why else does it argue so foolishly that it has not done what it obviously has done?

The U.S. voted the way it did for the reason that everything happens in U.S. foreign policy: Secretary of State Kissinger commanded it. As late as Saturday night, Nov. 29, the Israelis were assured that the U.S. would

veto the resolution. Sunday morning Kissinger called the U.N. and ordered the U.S. to side with Syria and its chief sponsor, the Soviet Union, against Israel.

This is an example of the U.S. policy of preemptive concession. Kissinger reportedly was told by other diplomats before Sunday that U.S. firmness could get the Palestinian question deleted from the resolution.

This would have blocked the planned statement from the Soviet ambassador that "the understanding of the majority" is that the PLO is to participate in the U.N. debate. Instead of standing firm, the U.S. melted into the anti-Israel majority.

As always is the case with U.S. concessions, this one is being praised by people who contrive to see it as a deft stroke to encourage "moderates." What moderates?

The PLO, whose leader, Yasser Arafat, toted a gun to the U.N. rostrum last year?

Syria, which has been bitterly critical of Egypt's moderation, and which now appears vindicated in its contention that obduracy pays when dealing with Israel and the U.S.?

Advocates of softer U.S. negotiating positions lack originality, but not persistence. Whenever they are called up to rationalize a concession, they do so by asserting that the concession will strengthen the "moderates" against the "hawks"—the "moderates" in the Soviet Politburo, in the PLO, in Arab governments. You may remember those days, one peace settlement and one Nobel Peace Prize ago, when this was said with regard to "moderates" in Hanol.

But the U.S. vote in the U.N. was clear capitulation to the forces of extremism in the Middle East, and for no clear purpose. Judging from past experience, it is probable that if the U.S. had credibly threatened to veto the resolution, Syria would have backed down, allowing renewal of the mandate of the U.N. observers without insisting on the invitation to the PLO.

And it is highly probable that if Syria had not backed down, and the mandate had not been renewed, nothing much would have happened. The Syrian government is not a feast of reason, but it is not crazy enough to contemplate a fair fight, alone, against Israel.

The U.S. vote was a giant step in a deplorable direction: it confers legitimacy on a dictatorial terrorist organization, the PLO, as the representative of the long-suffering Palestinian people. Perhaps the PLO's ruthlessness, and the support of its totalitarian allies has made inevitable the ascendancy of the PLO. But the U.S. vote was needless complicity in that ascendancy.

JOHN ZIELINSKI

HON. WAYNE L. HAYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. HAYS of Ohio. Mr. Speaker, Christmas is a universal celebration that belongs to the world at large and is often expressed by the national conventions of ethnic backgrounds. These customs do not grow within themselves; they must be nurtured, and often by a single dedicated person.

Such a person is John Zielinski of Blaine, Ohio, who feels so strongly about the perpetuation of the Polish celebration of the feast of Christmas that each year, as a member of the Polish Council No. 50, he generates a traditional

Polish Christmas celebration. It is directed not only to children, for whom it is both historic and religious, but to the adult Polish community so that they may relive the Christmas of their youth and their ancestors.

John Zielinski, Wesolych Świat.

SOUTHERN NEVADA NEEDS MORE VA MEDICAL ATTENTION

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. SANTINI. Mr. Speaker, I did want to acquaint all of my colleagues with an issue of vital concern to veterans of southern Nevada—adequate medical care.

Mr. Gene Welsh and many other dedicated veterans and groups have united together with an impressive demonstration of unanimity on this critical issue. The veterans are now attempting to obtain an independent budgetary status for the VA clinic in Henderson, Nev.

I hope the following letter will help my colleagues understand the background and gravity of the problem:

POLITICAL ACTION COMMITTEE
FOR A V.A. HOSPITAL,
Las Vegas, Nev., December 7, 1975.

Hon. _____,
Washington, D.C.

DEAR _____: Thank you for the cooperation received concerning our appeal, stated in the letter of April 21, 1975 (Congressional Record—94th Congress—Volume 121—Number 82), requesting your support of (S-420) and (HR-2546).

Due to your inquiries in our behalf we were able to get an Investigation Team from the Veterans Administration in Washington D.C., to come to Las Vegas. This Team recognized many of the problems pertaining to the medical needs of Veterans in this area.

The Investigation resulted in these promises being made:

A health care delivery plan would be developed by the Staff at the Henderson Outpatient Clinic. This was accomplished, in spite of unnecessary interference, and forwarded to the Veterans Administration in Washington D.C.; however, the promise of the Veterans Administration to take the necessary action to correct the numerous problems uncovered by the Investigation, and those brought out in the health care plan still remains—just a promise.

We were promised designation as an Independent Clinic (still no such designation); please read the enclosed letters.

These other promises were made either in writing, in person, or by telephone communication:

The Independent Clinic would be relocated to a more accessible area.

The Clinic would be enlarged both in size and staffing.

The Clinic would become a twenty-four (24) hour and seven (7) day a week operation (for emergency care).

Beds for minor surgery and stabilization would be provided.

There would be increased accommodations for prosthetics and mental care, and faster more intensified care for our Veterans.

We have asked the Veterans Administration why these changes, recognized by them

as being necessary, are being delayed or not kept, and the primary excuse which is given by the Veterans Administration is that the General Services Administration is unable to locate a suitable location.

The General Services Administration in turn uses for an excuse that the Veterans Administration will not authorize the necessary expenditures for leasing a suitable location.

The Veterans Administration admits to the problems existing here in Southern Nevada; but the most important factor is the complaints received by the Committee in the past few weeks from our Veterans who are having increased problems with obtaining medication, prosthetics, and the appearance of a general cutdown in the services being offered at the existing Clinic. (There is an appointment waiting time of six (6) to eight (8) weeks) due to the lack of available space and staff, and the ever increasing numbers of Veterans.

Again this Committee is requesting your assistance for our Veterans; and would appreciate hearing your recommendations on how to influence the Veterans Administration to keep their promises.

Thank you for your continued support,
Sincerely,

EUGENE R. WELSH, Chairman.

MARTIN LUTHER KING, JR.'S RELATIONSHIP WITH THE COMMUNISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, it is indeed interesting that Washington Post staff reporter Laurence Stern in a bylined story on December 8, 1975, has "revealed" that the identity of the "important secret member of the Communist Party" who was discovered by the Federal Bureau of Investigation to be a major "political influence" on Martin Luther King, Jr., was New York attorney Stanley Levison.

The article quotes an unnamed spokesman for the Senate Select Committee on Intelligence that the formal confirmation of Levison as the King associate who triggered the close FBI monitoring of King's activities was being kept secret for "national security" reasons.

In this context, "national security reasons" strongly imply the involvement of a foreign power in the Levison/King contacts. Has there been an enemy foreign power or powers involved with King and his organization, the Southern Christian Leadership Conference? The answer is "Yes." Both the Russians and their East German subsidiaries have made every effort to court King, his successor, Ralph Abernathy, and the SCLC organization as a whole. If a person were acting as a Soviet KGB or East German intelligence agent, all of their contacts and all organizations and persons they influenced would be legitimate subjects for intensive investigation.

Stern's article cites the 1971 book, "Kennedy Justice," by Victor Navasky, for a detailed account of Levison's role in

making the surveillance of King's activity as a high priority necessity. Navasky noted that Levison had been King's adviser on both legal and financial matters from the days of the Birmingham bus boycott. Mrs. Coretta Scott King's memoirs recount Levison's influence over a 12-year period, noting that he was always there "to offer assistance * * * always working in the background, his contribution has been indispensable."

Whatever the precise nature of Levison's contribution which caused the Justice Department to send an official to meet with King to entreat him to have no further contact with Levison—which King would not do—the public record of Communist and pro-Communist affiliations and activities of other close associates of Martin Luther King, Jr., are not being brought to the attention of the American people by the mass media.

The activities of these people are quite a different matter than the shadowy activities of Stanley Levison; and in the December 3, 1975, issue of Review of the News, Robert H. Reeder has done a public service by compiling the public records of a number of top King aides and associates. The article reads:

THE KING FILE

(By Robert H. Reeder)

Senator Frank Church (D-Idaho) has turned the Senate Intelligence Committee into a vehicle for smearing the late F.B.I. Director J. Edgar Hoover. Hoover's private files show that he had become convinced that Martin Luther King was a person of low moral character who had fallen under the control of the Communists. Church claims to find this absurd. Attorney General Robert Kennedy, however, did not find it absurd in the least and authorized F.B.I. surveillance of King—including wiretaps, which were maintained between 1963 and 1966.

Those wiretaps and other evidence proved that Martin Luther King was indeed a person of low moral character who had fallen under the control of the Communists. But Senator Church has, like Richard Nixon, ducked the issue by refusing to release the damning tapes. And the "Liberal" press has cooperated by laboring to create the myth that Martin Luther King was an innocent victim of Director Hoover's bad temper.

The F.B.I. has been accused of playing "dirty tricks" on Martin Luther King. It has been accused of threatening to release information in its files that would have been damaging to King's respectability. And almost nothing has been said about Martin Luther King's notorious immorality and Communist associates. The *New York Times*, on November 19, 1975, commented: "The committee staff members said they could find no justification for the bureau's attack on Dr. King." The Senate Intelligence Committee would like us to believe that Martin Luther was under surveillance because he criticized the F.B.I.

We do not know what information is in the substantial F.B.I. file on Dr. King, but we do know that even the most cursory look at Martin Luther King's public record should convince the merest tyro that there was very good reason for Director Hoover to consider King "dangerous."

Martin Luther King was quoted in the *New York World Telegram* of July 23, 1964, as declaring: "[I am] sick and tired of people saying this movement has been infiltrated by Communists and Communist sympathiz-

ers. There are as many Communists in this freedom movement as there are Eskimos in Florida." One hardly has to look at the entire "freedom movement" to find evidence of Communist infiltration—though the level of infiltration was overwhelming when the whole movement is considered. Rather, to be scrupulously fair, let us look directly under Dr. King's nose—at those persons closest to him—and see what we find.

Hunter Pitts O'Dell came to work for the Southern Christian Leadership Conference (S.C.L.C.) late in 1960 as Dr. King's staff consultant. In the fall of 1962 he was promoted to acting staff director in charge of voter registration and integration workshops. During this period, O'Dell was a member of the National Committee of the Communist Party. The "Liberal" press ignored it. Finally, on October 26, 1961, the *St. Louis Globe-Democrat* revealed that in 1956 and 1958 Hunter Pitts O'Dell had been identified under oath as a Communist organizer.

What did Martin Luther King do? He announced that he had discharged Comrade O'Dell.

A few months later it was discovered that O'Dell had not been fired but promoted, and was now running King's large New York office! When the story hit, Dr. King claimed to have discharged O'Dell a second time. A subsequent check by U.P.I. determined that Hunter Pitts O'Dell of the National Committee of the Communist Party was still employed by Dr. Martin Luther King.

Bayard Rustin is the notorious homosexual King called "a brilliant, efficient and dedicated organizer and one of the best and most persuasive interpreters of nonviolence." He was secretary and advisor to King from 1956 to 1960, and went with him to Oslo to receive the Nobel Prize in 1964.

Rustin was an organizer, recruiter, and fund-raiser for the Young Communist League, served 28 months in prison during World War II for refusing to do work required of those who were conscientious objectors, was given 60 days in jail in California for lewd vagrancy in 1953, and while working for King was one of only five "impartial observers" at the Communist Party's closed-door 16th national convention in 1957. That is only part of the record.

Fred Shuttlesworth, longtime field secretary of King's S.C.L.C., was president of the Southern Conference Educational Fund (S.C.E.F.). This group was thoroughly investigated by Committees of both the House and Senate and repeatedly found to have been a major Communist operation. On November 26, 1963, Shuttlesworth was one of two honored guests at the 15th anniversary dinner of the *National Guardian*, described by a Congressional Committee as "a virtual official propaganda arm of Soviet Russia." A former bootlegger, Fred Shuttlesworth's Communist, Communist Front, and radical activities fill three typewritten pages. King said of Shuttlesworth: "Reverend Shuttlesworth is my principal aide. Why, he gave me my start and he advised me from the very first. I depend on him."

James Bevel was Martin Luther King's chief aide in Chicago. He has declared: "We must move to destroy Western Capitalism." At a Black Power rally at Berkeley, California, in 1966 Bevel announced: "One of the problems of not being able to burn down the slums of Chicago is at this point not having the proper discipline required for the problems of carrying out that kind of a mission. That is why we haven't burned it down . . . We are going to be part of an international revolution to end slavery . . . I guess I hate Western Civilization more than most people . . ."

The "Reverend" Bevel continued to emphasize the destruction of capitalism, and

then he told the crowd that, when John Kennedy was President, Bevel had told people: "If the Vietcong jumped Jackie in my back yard, I wouldn't pull them off her."

Wyatt T. Walker, staff aide to Martin Luther King, was editorial advisor to the Marxist-Leninist Progressive Labor Movement. He was a familiar supporter of Communist Fronts.

Myles Horton was director of the Highlander Center, an outgrowth of the Highlander Folk School, in Tennessee, where King was trained. Martin Luther King was in fact listed as a sponsor of the Highlander Center on its stationery. Horton conceived the Highlander Folk School, described by a Joint Committee of the Tennessee Legislature as "a meeting place for known Communists and fellow travelers." The Georgia Commission on Education termed it a "Communist Training School."

James Dombrowski was another member of the Communist Party who was a close friend and advisor to Martin Luther King. Law enforcement authorities obtained a cancelled check made out to King from the Communist Front S.C.E.F. which was signed by Dombrowski and Benjamin Smith. Smith, according to Senate James O. Eastland (D.-Mississippi), ". . . is registered under the Foreign Agents Registration Act as an agent of Fidel Castro."

In a letter discovered by government investigators, King wrote to Comrade Dombrowski: "Dear Jim: This is just a note to acknowledge receipt of your letters of recent date. We, too, were more than happy to have you in our home, the fellowship was very very rewarding . . . Very sincerely yours, Martin."

Carl and Anne Braden have both been longtime, notorious members of the Communist Party working in the Louisville area. The Bradens, officers of the S.C.E.F., were part of the "Louisville Seven"—a group responsible for purchasing a house in an all-white area of Louisville, selling it to a Negro family, and then dynamiting it to stir up racial trouble.

King wrote a letter to the Bradens in 1959 urging them to become permanently associated with his Southern Christian Leadership Conference.

A photograph taken at the 6th annual conference of the S.C.L.C. in 1962, and found in the files of James Dombrowski, shows Martin Luther King, Carl and Anne Braden, and James Dombrowski, and describes King on the back as "responding to Anne Braden's speech."

Aubrey Williams was president of S.C.E.F. until 1963. In 1945 the U.S. Senate rejected his appointment to a government post because of his affiliations with the Communist apparatus. In 1954, Williams was identified under oath as a member of the Communist Party by two witnesses.

Two years later, in 1957, King was photographed with Williams, Myles Horton, Abner Berry (a member of the Central Committee of the Communist Party), and other comrades at a Communist training school in Tennessee. King referred to Williams as "one of the noble personalities of our times."

Ralph David Abernathy was Martin Luther King's top aide from the time of the Montgomery Bus Boycott. He succeeded King as head of the S.C.L.C. Abernathy accompanied Dr. King to that Communist training school in Tennessee in 1957. And they had more than their radical commitment in common. In the 1958 case of *Alabama v. Davis*, sworn testimony was introduced regarding sexual aberrations committed by Abernathy on a 15-year-old girl who sang in the choir of his church.

Not only is Abernathy an active supporter of such Communist causes as the effort to

free Communist Angela Davis, but in 1972 he was an honored guest of the Soviet Union and of Communist East Germany (G.D.R.), where he declared: "As pastor and theologian, I am of the opinion that the G.D.R. embodies what we aspire to in the world." Two hours before his departure he told a Communist Party press conference: "What we are still fighting for in the U.S.A. is what has already been achieved in the G.D.R."

The East German Communists gave Abernathy a medal, and reported that agents of their leading religious Front had "for many years" been in correspondence with Martin Luther King. They presented the "Reverend" Abernathy with a German edition of Coretta King's *My Life With Martin Luther King*, and he declared: "President Kennedy once said in West Berlin that he was a Berliner. I want to change that and say: 'I am a Citizen of the [Communist] German Democratic Republic.'"

Little wonder that after lengthy investigation the Joint Legislative Committee on Un-American Activities for the State of Louisiana concluded in its three-part Report on the activities of S.C.E.F. that the Southern Christian Leadership Conference, headed by Martin Luther King, was "substantially under the control of the Communist Party through the influence of the Southern Conference Educational Fund [S.C.E.F.] and the Communists who manage it."

If Martin Luther King was "sick and tired of people saying this movement has been infiltrated by Communists and Communist sympathizers," it was because he knew it was true.

And so did J. Edgar Hoover and the F.B.I. Director Hoover spoke out many times to warn of Communist involvement in the "civil rights" movement. On one occasion, he said: "We do know that Communist influence does exist in the Negro movement and it is this influence which is vitally important." Hoover declared that the Communist Party "strives only to exploit what are often legitimate Negro complaints and grievances for the advancement of Communist objectives. . . . Racial incidents are magnified and dramatized by Communists in an effort to generate racial tensions."

Mrs. Julia Brown is a brave and gracious Negro lady who spent more than nine years as a member of the Communist Party in Cleveland, serving as an undercover operative for the Federal Bureau of Investigation. According to Mrs. Brown:

" . . . Mr. King was one of the worst enemies my people ever had.

"I know that it is considered poor taste to speak ill of the dead. But when someone served the enemies of our country while alive, and his name is still used by his comrades to promote anti-American activities, shouldn't people who know the truth speak out?"

"I learned many surprising things while I served in the Communist Party for the F.B.I. Communist leaders told us about the demonstrations that would be started, the protest marches, the demands that would be made for massive federal intervention. Every Communist was ordered to help convince American Negroes that we are no better off than slaves. Wherever we went and whatever we did, we were to promote race consciousness and resentment, because the Communists know that the technique of divide and conquer really works.

"We were also told to promote Martin Luther King, to unite Negroes and whites behind him, and to turn him into some sort of national hero. We were to look to King as the leader in this struggle, the Communists said, because he was on our side!

"I know they were right, because while I

was in the Communist Party I learned that Martin Luther King attended a Communist training school. I learned that several of his aides and assistants were Communists, that he received funds from Communists, and that he was taking directions from Communists.

"Most Americans never look at the Communist press in this country. If they did, they would learn that the Communists loved Martin Luther King. He was one of their biggest heroes. And I know for a fact the Communists would never have promoted him, financed him, and supported him if they couldn't trust him. He carried out their orders just as slavishly as Party members in Cleveland, Ohio."

Little wonder that F.B.I. Director J. Edgar Hoover called Martin Luther King "the most notorious liar in the country."

We do not know what additional information Mr. Hoover had on King, but after years of electronic surveillance he certainly knew much more than we have been able to present in this brief survey from the public record. Yet the Senate Intelligence Committee has refused to release the F.B.I. file on King. They chose instead to attack the F.B.I. for using "dirty tricks," and members of the Committee staff said "they could find no justification for the bureau's attack on Dr. King." Incredibly, a U.P.I. release on November 19, 1975, declared: "A top FBI official said Wednesday that the Bureau had no legal justification for its smear campaign against Dr. Martin Luther King Jr. but suspected, without evidence, he might be under 'Communist influence.'"

"Suspected, without evidence. . . ." That is, as we have seen, simply not true. And the distortion is intended to damage the reputation of both the F.B.I. and the late Director J. Edgar Hoover.

John J. McDermott, Assistant Director of the F.B.I., spoke on November 21, 1975, before a Connecticut group which aids families of policemen, firemen, and corrections officers killed in the line of duty. He said the F.B.I.'s six-year surveillance of Martin Luther King was justified because of concern that King was influenced by subversives. He put it this way: "We did what we felt we had to do for the welfare of the nation at the time. Don't forget they [radicals and Communists] were bombing the Pentagon. They said they were going to shut down the government." Another F.B.I. official reminded us that the King projects "were started at a time when cities were being burned. . . ."

We believe most Americans would agree that our law enforcement authorities should keep under surveillance any person or group about which there is substantial evidence of involvement in such crimes as revolutionary violence, Communist subversion, and conspiracy with agents of a foreign power to overthrow the U.S. Government by force and violence. To the extent the F.B.I. maintained such surveillance under J. Edgar Hoover, we heartily applaud its efforts.

PARAGUAY HYDROELECTRIC DAM

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. COLLINS of Texas. Mr. Speaker, when our American Ambassador to Paraguay was in Washington this week, he came by so that we could review the continuing progress of the Paraguay-Brazil hydroelectric dam. Here in Congress many of us are very much concerned with the economic development of our friends in South America.

Two years ago, Brazil, Argentina, and Paraguay signed agreements covering the construction of two and possibly three major hydroelectric systems on the Upper Parana River.

The preliminary work has moved forward on the giant project at Itaipu on the border between Paraguay and Brazil, which is just a few miles above the world famous Iguazu Falls.

General Stroessner shows far sighted visions as the President of Paraguay in building this dam which will be the single largest hydroelectric dam in the world. Costing \$5 billion, it will provide 12.5 million kilowatts of low cost electricity.

President Stroessner has maintained a stable and peaceful country in the midst of so much confusion in South America. His consistent and solid friendship has been the major factor in maintaining the strong friendship with the close working relationships that the United States has with Paraguay.

IS GOVERNMENT KILLING THE CONSUMER?

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. HANSEN. Mr. Speaker, a telling story of what "big government" is doing to the private citizen and to the business sector of our economy is found in the December 1975, issue of Credit Union magazine under "Capital Events."

It is good to see that many key people in Government are finally beginning to wake up. The question is, will they go to work with an ax and get some results or will they pay lip service to the problem while they whittle around the edges with a pen knife?

The article as written by the magazine's Washington correspondent, George Myers, is as follows:

Is Government killing the consumer with protection? Has it protected the individual to the point of denying him opportunity? Has it made a fetish of privacy, thus denying some freedoms? Those are some of the questions that people are beginning to think about as the nation wallows in a flood of regulations, red tape, and "protective" laws. A credit union manager protests: "What is going on there in Washington? As a result of RESPA (Real Estate Settlement Procedures Act) my credit union has discontinued all home mortgage lending." From a defense credit union comes the plea: "Can't we do something about the Privacy Act? We can't get the basic information from the military to act upon a young enlisted man's emergency loan application." Another credit union manager in frustration declares, "It seems apparent that some consumer protection acts give added protection to 'deadbeats'—and they are the people who use the technicalities of the law or regulation to the utmost." Another credit union officer comments, "It's getting so that I hesitate to talk to a member for fear that in friendly conversation I'll inadvertently ask a question about the spouse that is prohibited by some regulation or by the Equal Credit Opportunity Act!" When you realize that these complaints come from one small segment of the financial world—and from credit unions, at

that, which are conceded to be consumer and member-oriented—one begins to wonder about our whole approach to governing and to protecting the individual.

Isn't it time to regulate the regulators? When are we going to protect the individual from his "protectors"? And above all, when does "protection" and bureaucratic regulation infringe upon individual liberties and the rights and freedoms that our forefathers sought 200 years ago? Perhaps the most significant observance of the nation's bicentennial year would be Congressional action to restore liberty by restraining the regulators, protecting our freedom from "protectors," and revising some of the ridiculous provisions of such well-intentioned laws as the Privacy Act, which has caused some federal government employees to refuse to give the telephone number of a colleague sitting in the same office for fear of breaking the law!

There is evidence that the backlash against excessive regulation and "protection" is making itself felt both in the Congress and the Executive Branch. Evidence of this backlash is the House passage of the Consumer Protection Agency bill in 1974 by a vote of 293-94. Last month the House vote on virtually the same bill was 208-199. Other Congressional reactions include expedited action to modify RESPA, rejection of the Truth-in-Savings provision of FIA by the Senate Banking Committee, and the initiation recently by the Senate Government Committee, jointly with the Senate Commerce Committee, of an investigation and study of Federal regulatory agencies. President Ford has declared that he wants small business released from the shackles of federal red tape: "I want to end unnecessary, unfair, and unclear regulations—and needless paper work." Rep. Wright Patman (D-Tex.) recently told his constituents that he is co-sponsoring a bill (HR 9313) with 24 other Representatives "to establish procedures for regular Congressional review of all Federal agency rules." Under the bill Congress could, by simple resolution within 60 days after a regulation is proposed "veto" any such decree that "is contrary to or inconsistent with Congressional intent or which goes beyond the mandate of the law." President Ford places the annual cost of unnecessary and wasteful regulatory policies at \$2,000 per family—a total cost to the American taxpayer of an estimated \$130 billion. In an article a few months ago, the U.S. News and World Report listed 15 specified federal agencies plus "other agencies" with 63,444 employees who perform regulatory functions, and commented: "Consensus is widening among politicians, businessmen and consumer groups that such agencies—designed to protect the public from marketplace excesses such as monopoly, fraud, and inequity—are no longer working effectively in today's society. . . ."

Senator Thomas J. McIntyre (D-N.H.), chairman of the Senate Subcommittee on Government Regulation, estimates that the paperwork burden generated by the federal government drains more than \$18 billion a year from American business. Rep. Frank Horton (R-N.Y.), ranking Republican on the House Government Operations Committee, puts the cost to the nation's economy more than \$40 billion.

ANNOUNCEMENT OF HEARINGS ON FBI OVERSIGHT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. EDWARDS of California. Mr. Speaker, I wish to announce that the

Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary will continue its series of hearings on FBI oversight and will hold 2 days of public hearings on Thursday, December 11, and Friday, December 12.

These 2 hearing days will complete the hearings begun on October 21, 1975, inquiring into the facts and circumstances surrounding the letter written by Lee Harvey Oswald, several days before the assassination of President John F. Kennedy containing alleged threats, received by the Dallas office of the FBI and subsequently destroyed.

Testimony will be received from J. Gordon Shanklin, a retired special agent who was in charge of the Dallas field office in November 1963, and from James P. Hosty, Jr., Kenneth C. Howe, and Nan Fenner, all presently employed with the FBI and who were with the Dallas field office in November 1963.

The hearings will commence at 9:30 a.m. on both days, and the hearing on December 11 will be in room 2226, Rayburn House Office Building, and the hearing on December 12 will be in room 2237, Rayburn House Office Building.

EAGLES NEST WILDERNESS ISSUES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mrs. SCHROEDER. Mr. Speaker, later this week the Subcommittee on Public Lands of the Committee on Interior and Insular Affairs will begin markup on the Eagles Nest Wilderness area in Colorado. I have been supporting, and will continue to support, S. 268, Senator FLOYD HASKELL's Eagles Nest Wilderness bill. However, the following December 2 Denver Post editorial presents an opposing view which, in the interest of fairness, I wish to share with my colleagues:

TRIM WILDERNESS AREA SIZE

On Dec. 12 the public lands subcommittee of the U.S. Interior Committee in Congress will begin mark-up sessions on a bill of crucial importance to the metro Denver area.

The committee, chaired by Rep. John Melcher, D-Mont., will consider wilderness bills which could cost our citizens \$1 million extra each year in water bill charges.

At stake is the configuration of the Eagles Nest Wilderness area in the Gore Range west of Denver. As passed by the U.S. Senate 130,000 acre would be set aside as permanent wilderness under terms of the 1964 Wilderness Act.

But by doing so, the Denver area's future water supply would be endangered. The way the lines are drawn (there can be no construction projects in a wilderness) Denver could recover water flowing from the wilderness only by costly pumping projects. If the borders are made slightly smaller this water could move by gravity.

At a time when the nation needs to save energy is estimated that the Senate bill sponsored by Sen. Floyd Haskell, D-Colo., would use enough extra electricity to light the homes of 75,000 people.

That is a substantial amount of power to waste. It is estimated the cost would be \$1 million—just to pump the water the awkwardly drawn wilderness borders would dictate.

It seems logical, therefore, to ask Colorado legislators in Washington to reduce the size of the boundaries. Lowering the area to around 120,000 acres would permit Denver to divert its water by gravity, saving the \$1 million.

Such a move not only will avert drought dangers but save metro water users from having to pay the \$1 million annually.

Citizens, therefore, should make Senator Haskell and other state lawmakers aware of their desires. The wilderness need not be drawn in such a way as to penalize Denver area citizens.

The U.S. Forest Service wants only 87,000 acres in the Eagles Nest Wilderness. It believes this area is the true wilderness—the area which is a geographical unit and can be defended administratively as wilderness.

By contrast, the rival plan meanders across slopes and comes very close to condominium developments in the Frisco area. We doubt this is what the Congress had in mind when it passed the 1964 act.

In any case, a compromise to ensure the Denver region the opportunity of drawing its water supply by gravity is much to be preferred to exorbitant pumping fees in prospect under the Haskell measure.

We hope, therefore, that our congressional delegate will see the necessity of making a trim on the Haskell wilderness area. The alternative is an unnecessary extravagance.

RENAMING OF FBI BUILDING

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. SCHEUER. Mr. Speaker, I would like to place in the RECORD in behalf of myself and my colleague, Representative CHARLES RANGEL, two editorials which appeared in yesterday's Washington Post. The first, written by the distinguished editorialist Alan Barth, is a brilliant and thoughtful retrospective analysis of the FBI and its excessively powerful former director, J. Edgar Hoover. The second, by the editors of the Post, presents the argument which serves as the basis for the bill, which I am cosponsoring along with Representatives GUDE, RANGEL, SCHROEDER, and others, to rename the massive J. Edgar Hoover FBI Building simply "The FBI Building." The Congress and the Nation must take action to prevent such devastating abuses as are now coming to light from reoccurring. It is inappropriate, to say the least, to immortalize the man responsible for the abuses and the growing lack of public trust in a once-revered Federal agency.

The articles follow:

"CONTROLLING THE FBI"

(By Alan Barth)

In thinking about the future of the FBI it may be useful to look at its origins and at the pattern of its growth. The FBI was created in 1924 by Harlan Fiske Stone when he was Attorney General of the United States, before his elevation to the Supreme Court. One of his first acts when he took charge of the Department of Justice was to abolish the Division of Investigation which had become mired in politics and had played an ugly part in the arrest and deportation of aliens under the Attorney Generalship of A. Mitchell Palmer. In its place, Stone established a Bureau of Investigation, choosing a young man named J. Edgar Hoover as

its director. In doing so, the Attorney General issued the following statement defining the bureau's role:

There is always the possibility that a secret police may become a menace to free government and free institutions because it carries with it the possibility of abuses of power which are not always quickly apprehended or understood . . .

It is important that its activities be strictly limited to the performance of those functions for which it was created and that its agents themselves be not above the law or beyond its reach . . . The Bureau of Investigation is not concerned with political or other opinions of individuals. It is concerned only with their conduct and then only with such conduct as is forbidden by the laws of the United States. When a police system passes beyond these limits, it is dangerous to the proper administration of justice and to human liberty, which it should be our first concern to cherish.

These are words worth remembering, worth rolling reflectively on the tongue. For they are not only prescient and prophetic, they are alive with political realism—the kind of realism that led the founders of the republic to limit the powers of government by a written Constitution.

As everyone knows, the new bureau flourished, achieving a great reputation for honesty about money matters and for efficiency in capturing automobile thieves, bank robbers and kidnappers. Mr. Hoover had a flair for publicity as well as a genius for effective organization. Soon the FBI, with its laboratories and advanced crime detection techniques and daring G-men, became not only the scourge of criminals but the most admired of all federal agencies.

It should be said in defense of Mr. Hoover that he did not initially reach out for power; power was thrust upon him. In 1939, with American involvement in the Second World War at hand, President Roosevelt instructed the FBI to take charge of all investigation "relating to espionage, counterespionage, sabotage, subversive activities, and violation of the neutrality laws." There were three things wrong with this:

First, it was without any statutory basis. Congress had authorized a Division of Investigation in the Department of Justice which afforded an adequate foundation for a Bureau of Investigation to do what Attorney General Stone empowered the bureau to do in the area of law enforcement. But Congress had not then, and has never since, authorized any agency of the Department of Justice to take charge of counter-intelligence although it has, to be sure, repeatedly approved appropriations to carry on such activities.

Mr. Roosevelt went still further. He authorized the FBI, with the approval of the Attorney General, to tap telephones in national security cases, although this entailed a direct violation of an act of Congress, the Federal Communications Act of 1934.

Second, this assignment took the FBI into a field where it had no real competence or experience. Counter-intelligence is not the normal work of a law enforcement agency and is far too important to be left to policemen. Mr. Hoover seriously believed that actors and actresses who gave ambulances to loyalist Spain or entertained at Soviet-American rallies when the two countries were allied in war were perils to American security. He seriously believed that a minister of religion who militantly sought equal rights for black Americans was bound to be a Communist agent. Mr. Hoover sincerely equated political heterodoxy with disloyalty and pursued it relentlessly as "subversive."

Third, the President's directive not only tremendously expanded the FBI's power but also radically changed its focus. Indeed, it brought the FBI right back into the political area from which former Attorney General Stone had removed it, the constitutionally

protected area of political opinion and association. Subversive activities are essentially political activities displeasing to those in power but not necessarily criminal in character.

A few years later, in 1947, President Truman—also without any legislative authorization—gave the FBI full responsibility under the Federal Loyalty Program for investigating the suitability and trustworthiness of government employees and of applicants for government jobs. Relying on accusations by unidentified informers, many of them former Communists, the FBI became, in effect, the definer of patriotism, the arbiter of political acceptability.

No wonder Mr. Hoover became a kind of Lord High Executioner, a law unto himself. No President governed him, no Attorney General ruled him, no Congress fixed boundaries for his roving authority. And so, step by step, we got unlimited surveillance, indiscriminate bugging and taping and reading of our mail. Cointelpro and black bag jobs and official blackmail and all the other attributes of a police state that have become the commonplace in newspaper reports in recent weeks. The FBI became, in truth, precisely what Attorney General Stone warned against—"a menace to free government and free institutions."

Stone's words are still not heeded, moreover. The incumbent director of the FBI found himself capable of saying in 1975—without a perceptible tremor of embarrassment—that "we must be willing to surrender a small measure of our liberties to preserve the great bulk of them." Is liberty really now no more than a luxury, and a liability, in a nation that has grown to greatness under it? Echoes of the tragic past! Must we destroy the Constitution in order to save it?

The FBI is not going to be brought under control by any congressional oversight committee—which will be told no more than the FBI wants it to know. It can be brought under control only by first being cut down to size—by having its role firmly defined by Congress, so that it becomes what it was meant to be in the first place, a law enforcement agency concerned, as Harlan Stone put it, "only with such conduct as is forbidden by the laws of the United States."

The elephantine growth of the FBI is superbly symbolized—perhaps it would be better to say embodied—in the mammoth, and monstrous, edifice that now stands athwart Pennsylvania Avenue like a brooding Bastille and is identified by golden letters across its portals as the J. Edgar Hoover FBI Building. If it cannot be razed, could the House of Representatives not take it as a fourth, fifth or sixth office building, instead of taking the new congressional library annex? Then the FBI could be appropriately returned to the Department of Justice as a subordinate agency of that instrument of government.

At the very least can it not be renamed—say, the Harlan Fiske Stone Building—as a memorial not to our past folly but to the true character of our country, where liberty is valued alike as a means and as an end, and where a government of laws still prevails?

WHAT'S IN A NAME?

If Congress were voting today on the question of what to call the new FBI Building, we'd like to believe that the name of J. Edgar Hoover would not be considered, even fleetingly. In October of 1972, when the decision was made to name the uncompleted building after Mr. Hoover, the record of his performance as FBI director was, to put it mildly, incomplete. There were indications that he had been petty and vindictive in his treatment of black protesters and antiwar dissenters. He was thought to have amassed dossiers on members of Congress and other public officials. But such rumblings were largely speculative. Mr. Hoover's reputation, in other words, was still more or less intact three years ago. His myth was still strong in

the minds of millions of Americans. We were not then staring at a reputation in ruins.

It was not known and documented in 1972 that Mr. Hoover's towering hatred for the Rev. Dr. Martin Luther King Jr. led him to use the power of his agency for unlawful wiretaps, harassment, intimidation and ugly poison pen communication. It also wasn't known in 1972 that Mr. Hoover authorized his agents to join protest groups, encourage illegal activities and then entrap and arrest the protesters. Mr. Hoover, in other words, was not known until recently as the flagrant violator of the law he has since been shown to have been.

As Alan Barth demonstrates in an article on the opposite page, Mr. Hoover grossly perverted the mission of his agency, admittedly with the help of underlings and of timorous and permissive Presidents and congressional overseers. The FBI was created to replace an agency, the Division of Investigation, that had become notorious for political intimidation. The very purpose of the FBI's creation was to break with the past abuses of Attorney General A. Mitchell Palmer. As Mr. Barth points out, "The FBI became, in truth, what Attorney General Harlan F. Stone warned against—a menace to free government and free institutions."

We name public property for public servants to honor them and to invite their emulation by the generations that follow. We expect our young people to see the names of such servants and to inquire about their good works and to go and do likewise. By permitting Mr. Hoover's name to grace a large and conspicuous public edifice, we implicitly condone the abuse of power, the vindictive abridgement of fundamental freedoms and the flagrant unfairness that Mr. Hoover's FBI regularly practiced.

There will be those who will argue that the deed is done. The name of Mr. G-Man is mounted in bronze, the dedication has come and gone. What's in a name, after all? If we take down this name, will there not be an orgy of revisionism in which many names come down? Mr. Hoover poses a unique problem. He himself was the most powerful lobby for the building and for having it bear his name. He knew how to manipulate the system as well as anyone, and he prevailed. But he prevailed because his true record was hidden in the dim recesses of the FBI's files, available in that day to no one not trusted by Mr. Hoover. Now that his record has come out, Congress must at long last stand up to J. Edgar Hoover. Rep. Gilbert Gude (R-Md.) and several colleagues have proposed just calling the structure at 9th and Pennsylvania "the FBI Building." The idea ought to have particular appeal to the FBI, which has a lot to live down if it is to regain public trust.

RICE SURPLUS HURTS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. PICKLE. Mr. Speaker, soon we are going to have a rice bill before us. This bill has been hailed as a boon to the consumers by those who do not have the facts.

We do not need to increase rice production to get lower prices for the consumer because the facts show right now we have a substantial rice surplus and high prices. More rice will not mean lower prices for the rice eater. It may just mean fewer rice producers and higher and higher prices.

To prove my point, I want to put into

the CONGRESSIONAL RECORD a small AP wire story that ran in the December 4, 1975, Washington Star:

QUOTAS WEIGHED ON RICE OUTPUT

Agriculture Secretary Earl L. Butz said yesterday that he may have to "impose severe quotas" by the end of the month on 1976 rice production in the United States.

Going a step further than he had earlier in the week, Butz told the Senate Agriculture Committee that he foresees a cutback to the legal minimum quota of 1.56 million acres. The law requires quotas to be imposed if rice surpluses develop, he said.

The House has pending a new two-year rice production measure. Rice prices are high, he said, despite food supplies and so the crop is backing up.

AMBASSADOR BUNKER ON THE PANAMA CANAL NEGOTIATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues an important speech Ambassador Ellsworth Bunker gave December 2 in Los Angeles on the status of the Panama Canal negotiations for a new treaty arrangement between the United States and the Republic of Panama.

It is clear that the Congress will have to focus on this important foreign policy issue in the coming months. Ambassador Bunker's remarks provide a useful background on the subject.

He notes, in particular, that—

The real choice before us is not between the existing treaty and a new one but rather between a new treaty and what will happen if we should fail to achieve a new treaty.

His speech follows:

THE PANAMA CANAL NEGOTIATIONS: POPULAR MYTHS AND POLITICAL REALITIES
(Remarks by Ambassador Ellsworth Bunker)

I am here today to discuss with you the Panama Canal negotiations.

It is a controversial subject that has evoked emotion and opposition.

But my travels in the United States, the letters I get from concerned citizens, the articles I read in the press, and my many consultations with Congressmen have convinced me that much of this opposition stems from a number of false impressions about the basis for our presence in the Canal Zone.

Because of this, I would like today to talk about the background of the problem we face and comment on some of the myths surrounding the canal treaty and negotiations.

And I want to talk about the political realities which make it desirable, in my judgment, to bring the negotiations to an early and satisfactory conclusion.

By speaking to you today I am departing from a practice I have long followed.

Previously, while serving as a negotiator, I have avoided making public statements.

I am here today because this negotiation is unique.

No effort to improve our policy concerning the canal can succeed without the full understanding and support of the Congress and the American people.

Our presence in the canal has a constituency among the American people—but our

negotiations to solve our problem there do not.

So, if we are to gain support, we must find it through candid and reasonable public discussion.

THE EVOLUTION OF THE PROBLEM

Our story begins 72 years ago.

In 1903 the newly-independent Republic of Panama granted to the United States—in the Hay-Bunau-Varilla Treaty—a strip of land 10 miles wide and 50 miles long for the construction, maintenance, operation and protection of a canal between the Atlantic and Pacific.

The treaty also gave the United States—in perpetuity—the right to act within that strip of land as “if it were the sovereign.” It was quickly and widely acknowledged that the treaty favored the United States.

When Secretary of State John Hay submitted the treaty to the Senate for ratification he said:

“We shall have a treaty very satisfactory, vastly advantageous to the U.S., and, we must confess, not so advantageous to Panama.”

For many years Panama has considered the treaty to be heavily weighted in our favor.

As a result, the level of Panama's consent to our presence has steadily declined.

And by Panama, I mean not simply the government, but the Panamanian people.

The Panamanians point out:

First, that the existence of the Canal Zone impedes Panama's development.

The Canal Zone cuts across the heartland of Panama's territory, dividing the nation in two.

The existence of the Zone curbs the natural growth of Panama's urban areas.

It holds, unused, large areas of land vital to Panama's development.

It controls all the major deep-water port facilities serving Panama.

And it prevents Panamanians from competing with American commercial enterprises in the Zone.

And for the rights we enjoy on Panamanian territory, we pay Panama only \$2.3 million a year.

Second, that the Canal Zone infringes on Panama's nationhood.

Panama says the privileges exercised by the United States deprive their country of dignity and, indeed, of full independence.

Within the Canal Zone the United States operates a full-fledged government without reference to the Government of Panama, which is its host.

It maintains a police force, courts, and jails to enforce United States laws, not only upon Americans, but upon Panamanian citizens as well.

And, the Panamanians point out, the treaty says the United States can do all these things forever.

Panamanian frustration over this situation has increased steadily over the years.

In January 1964, demonstrations and riots took place which cost the lives of 21 Panamanians and 3 Americans.

Diplomatic relations were broken.

As part of the settlement we reached with Panama then, President Johnson, after consultation with Presidents Truman and Eisenhower, committed the United States to negotiate a new treaty.

In our negotiations we are attempting to lay the foundations for a new—a more modern—relationship which will enlist Panamanian cooperation and better protect our interests.

Unless we succeed, I believe that Panama's consent to our presence will continue to decline—and at an ever more rapid rate.

Some form of conflict in Panama would seem virtually certain—and it would be the kind of conflict which would be costly for all concerned.

Now some have held that the mere mention by United States officials of the possibility of violence over the canal will help to assure that such violence occurs.

I am aware of that concern, but I believe the situation demands candor.

It would be irresponsible to fail to point out to the American people the possible, indeed the likely, consequences of inaction.

It is my firm belief that failure to conclude a reasonable treaty can only work to damage the interests we seek to protect.

As we contemplate this situation we should understand that the canal's physical characteristics make it vulnerable.

The canal is a narrow channel fifty miles long.

It operates by the gravity flow of water and depends for its efficient operation on an integrated system of locks, dams and other vital facilities.

At best, it is susceptible to interruption.

And interruptions would mean not only reduced service to world shipping but lower revenues.

But the most enduring costs of confrontation over the canal would not be commercial.

Our Latin American neighbors see in our handling of the Panama negotiations a test of our political intentions in the hemisphere.

Moreover, the importance of the canal, and our contribution to it, are recognized throughout the world.

It is a measure of our standing and the respect in which we are held that people everywhere—including, I am sure, yourselves—expect the United States to be able to work out an arrangement with Panama that will guarantee the continued operation of the canal in the service of the world community.

Were we to fail—particularly in light of the opportunity created by the negotiations—we would in a sense be betraying America's wider, long-term interests.

The plain fact of the matter is that geography, history and the economic and political imperatives of our time compel the United States and Panama to a joint venture in the Panama Canal.

We must learn to comport ourselves as partners and friends.

Preserving what is essential to each; protecting and making more efficient an important international line of communication;

And, I suggest, creating an example for the world of a small nation and a large one working peacefully and profitably together.

In sum, we are negotiating because we see a new treaty arrangement as the most practical means of protecting our interests.

If we try to maintain the status quo we will face mounting hostility in both Panama and Latin America—and possible loss of the very interest we want to preserve.

But a new arrangement based on partnership promises a greater assurance of safeguarding that interest—a canal that is open, safe, efficient, and neutral.

The real choice before us is not between the existing treaty and a new one but rather between a new treaty and what will happen if we should fail to achieve a new treaty.

These, then, are some of the political realities we face in Panama.

MYTH AND REALITY: THE VIEW FROM THE UNITED STATES

We must face political realities here at home as well.

We know that a treaty must receive the advice and consent of two-thirds of the Senate of the United States.

And we expect that both Houses of Congress will be asked to approve implementing legislation.

There is opposition in Congress to a new treaty; it reflects to a considerable degree the sentiments of many citizens.

Our job is to make sure that the public

and Congress have the facts they need if they are going to make wise decisions about the canal.

Unfortunately, the basis for our presence in the Zone is widely misunderstood.

Indeed, a number of myths have been built up over the years—about Panama's intentions and capabilities, about the need for perpetuity, and—most important—about ownership and sovereignty.

We need to replace these myths with an accurate understanding of the facts.

First, there is the matter of Panama's intentions and capabilities—and the suggestion that a new treaty will somehow lead to the canal's closure and loss.

The fact is that Panama's interest in keeping the canal open is far greater than ours.

Panama derives more income from the canal than from any other single revenue-producing source.

Even so, some argue, canal operations would suffer because Panamanians lack the technical aptitude and the inclination to manage the operation of the canal.

The fact is that Panamanians already comprise over three-fourths of the employees of the canal enterprise.

No one who has been to Panama and seen its increasingly diversified economy can persuasively argue that the Panamanians would not be able to keep the canal operating effectively and efficiently.

These considerations indicate that Panama's participation in the canal can provide it with a greater incentive to help keep the canal open and operating efficiently.

In fact, the most likely avenue to the canal's closure and loss would be to maintain the status quo.

Second, there is the notion that the canal cannot be adequately secured unless the United States rights there are guaranteed in perpetuity—as stipulated in the 1903 Treaty.

I can say this: to adhere to the concept of perpetuity in today's world is not only unrealistic but dangerous.

Our reliance on the exercise of rights in perpetuity has become a source of persistent tension in Panama.

And clearly, an international relationship of this nature negotiated more than seventy years ago cannot be expected to last forever without adjustment.

Indeed, a relationship of this kind which does not provide for the possibility of periodic mutual revisions and adjustment is bound to jeopardize the very interest that perpetuity was designed to protect.

Third and finally, there are two misconceptions that are often discussed together: ownership and sovereignty.

Some Americans assert that we own the canal; that we bought and paid for it, just like Alaska or Louisiana.

If we give it away, they say, won't Alaska or Louisiana be next?

Others assert that we have sovereignty over the Canal Zone.

They say that sovereignty is essential to our needs—that loss of United States sovereignty would impair our control of the canal and our ability to defend it.

I recognize that these thoughts have a basic appeal to a people justly proud of one of our country's great accomplishments.

The construction of the canal was an American achievement where others had failed.

It was every bit as great an achievement for its era as sending Americans to the moon is for ours.

It is an historic success that will always be held to America's credit.

But let us look at the truth about ownership and sovereignty.

The United States does not own the Panama Canal Zone.

Contrary to the belief of many Americans, the United States did not purchase the Canal Zone for \$10 million in 1903.

Rather, the money we gave Panama then was in return for the rights which Panama granted us by the treaty.

We bought Louisiana; we bought Alaska. In Panama we bought not territory, but rights.

Sovereignty is perhaps the major issue raised by opponents of a new treaty.

It is clear that under law we do not have sovereignty in Panama.

The Treaty of 1903 did not confer sovereignty, but speaks of rights the United States would exercise as "if it were the sovereign."

From as early as 1905, United States officials have acknowledged repeatedly that Panama retains at least titular sovereignty over the Zone.

The 1936 Treaty with Panama actually refers to the Zone as "territory of the Republic of Panama under the jurisdiction of the United States."

Thus, our presence in the Zone is based on treaty rights, not on sovereignty.

It is time to stop debating these historical and legal questions.

It is time to look to the future, and to find the best means for assuring that our country's real interests in the canal will be protected.

What are our real interests?

We want a canal that is open to all the world's shipping—a canal that remains neutral and unaffected by international disputes.

We want a canal that operates efficiently, profitably, and at rates fair to the world's shippers.

We want a canal that is as secure as possible from sabotage or military threat.

And we want full and fair treatment for our citizens who have so ably served in the Canal Zone.

The negotiations we are now conducting with Panama for a new treaty will ensure that all these interests of our country are protected.

Let me now talk a bit about where we are in the negotiations.

During the past two years, the negotiations have proceeded step by step through three stages.

Stage 1 ended in early 1974 when Secretary of State Kissinger went to Panama to initial with the Panamanian Foreign Minister a set of eight "Principles."

Since then, we have used these principles as guidelines in working out the details of a new treaty.

The best characterization of these principles came from the Chief of Government of Panama.

He said they constitute a "Philosophy of Understanding."

Their essence is that:

Panama will grant the United States the rights, facilities and lands necessary to continue operating and defending the canal; while

The United States will return to Panama jurisdiction over its territory; and arrange for the participation by Panama, over time, in the canal's operation and defense.

It has also been agreed in the "Principles" that the next treaty shall not be in perpetuity but rather for a fixed period;

That the parties will provide for any expansion of canal capacity in Panama that may eventually be needed; and

That Panama will get a more equitable share of the benefits resulting from the use of its geographic location.

Stage 2 involved the identification of the major issues under each of the eight principles.

Agreement on the major issues, concurred in by the Department of Defense, provided the basis for substantive discussions.

Stage 3 began with our meetings in Panama in June of 1974 and continues.

For over 16 months now we have been discussing the substantive issues involved—again, with the helpful support of the Department of Defense.

Indeed, our most senior military officials regard the partnership we are attempting to form as the most practical means of preserving what is militarily important to our country respecting the Panama Canal.

We have reached agreement in principle with the Panamanians on three major issues:

Jurisdiction: Jurisdiction over the Zone area will pass to Panama in a transitional fashion.

The United States will retain the right to use those areas necessary for the operation, maintenance and defense of the canal.

Canal Operation: During the treaty's lifetime the United States will have the primary responsibility for the operation of the canal.

There will be a growing participation of Panamanian nationals at all levels in day-to-day operations in preparation for Panama's assumption of responsibility for canal operation at the treaty's termination.

The Panamanian negotiators understand that there are a great many positions for which training will be required over a long period of time, and that the only sensible course is for Panamanian participation to begin in a modest way and grow gradually.

Canal Defense: Panama recognizes the importance of the canal for our security.

As a result, the United States will have primary responsibility for the defense of the canal during the life of the treaty.

Panama will grant the United States "use rights" for defending the waterway; and Panama will participate in canal defense in accordance with its capabilities.

Several other issues remain to be resolved. They concern:

The amount of economic benefits to Panama;

The right of the United States to expand the canal should we wish to do so;

The size and location of the land and water areas we will need for canal operation and defense;

A mutually acceptable formula for the canal's neutrality and nondiscriminatory operation of the canal after the treaty's termination; and

Finally, the duration of the new treaty. Quite obviously, we still have much to do to resolve these issues.

Although we have no fixed timetables, we are proceeding with all deliberate speed.

We are doing so with the full support of the Department of Defense.

While I cannot predict when completion of a draft treaty will be possible, I am persuaded that a new treaty which satisfies our basic interests is attainable.

Though a great deal of hard negotiating will be required to complete a satisfactory agreement, we are confident that our efforts will produce a treaty which will be judged on its merits and will be approved by the people of both countries.

The stakes are large.

They involve not only the legitimate interests of both the United States and Panama and the future contribution of this important waterway to the world community.

They involve as well our nation's relations with Latin America as a whole and the credibility and reputation of our country as a force for creative leadership.

America has always looked to the future.

In the Panama Canal negotiations we have the opportunity to do so again:

To revitalize an outmoded relationship;

To solve an international problem before it becomes a crisis; and

To demonstrate the qualities of justice, reason and vision that have made and kept our country great.

I stand ready for your questions.

SOCIALISM RUINS BUSINESS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. COLLINS of Texas. Mr. Speaker, as I read the UPI story with the headline "British Movie Industry in Ruins," I was distressed to see the impact of socialism in England on this splendid industry.

When we think back just a few years ago, to the courage and determination that England showed in the Battle of Britain, we are astounded at the damage socialism has done. In trying to buy security, all England has bought is financial disaster. As Vernon Scott says in the article, the English have lost the will to work. Like hospitalized patients, they have lost the will to recover.

As Scott sums up the situation, the English need to again acquire the American spirit in creative talent to inspire them. As I see socialistic plans that are brought before our Congress everyday, I wonder whether the United States is moving faster down the road to socialism which will lead our country into the same financial despair that socialism always brings.

Here are the key points in Vernon Scott's story for UPI from Hollywood:

BRITISH MOVIE INDUSTRY IN RUINS

Today England's movie industry lies in ruins.

Where once 10 studios flourished, only two are operating—Pinewood and Elstree, the latter barely hanging on.

Even British stars of the era have faded—David Hemmings, Peter O'Toole, David Warner, Alan Bates, Tom Courtenay, the Redgrave sisters.

Standing almost alone in the wreckage is producer Euan Lloyd.

"I still live in London and I pay English taxes," said Lloyd whose new picture, "Paper Tiger," (starring David Niven) has just been released.

"The English movie business has collapsed. But then all of England industry seems to have lost the will to work.

"In the past we put up with lousy weather, rationing, money controls and took it on the chin. We shrugged our shoulders and managed to pull out of messes by working hard.

"But the average Englishman doesn't seem to give a damn anymore. He's like the hospitalized patient who has lost the will to recover.

"I see the situation clearly because I travel all over the world and compare my country with the people and attitudes of other nations.

"I hasten to say we'll pull out of it. But at the moment we're like a dog with fleas, scratching away and not getting very far."

Lloyd blames the failure of British movies on the government.

"In our socialist society everyone is waiting for a handout," he said.

"Picture makers want to know what someone will give them in advance if they make a movie. If you believe in your work you must have the courage to go out and get the money and put the film together."

Lloyd has ignored British financial structure, distribution and loans. He visits almost every country in the world to borrow money and hustle his own pictures.

"I spent the past 15 years establishing business relations with foreign distributors," he explained. "It cost \$4 million to make

'Shalako' with Sean Connery and Brigitte Bardot.

"But I toured the word for three years in advance raising the money, contacting buyers. When I began shooting I had the cash or guarantees to cover the entire picture.

"Labor isn't more expensive there. It's still cheaper to make a film in England than elsewhere. But producers have given up, lost their nerve due to the socialist indoctrination. They can't beat the unions . . .

"I love my country and wouldn't think of leaving it. But the only thing that can help our film industry is a new infusion of American creative talent to inspire us again."

SPANISH "LEFTISTS": ACCURACY PLEASE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, recent press articles have reported the release from prison of radical opponents of the Spanish Government by King Juan Carlos as part of an amnesty releasing 15,000 prisoners, criminal and political.

The press reports have focused on the release of Marcelino Camacho Abad, 57, characterized as "a noted leftist labor leader" by the New York Times in a "special" under Henry Ginger's byline and in an Associated Press story as "Spain's most powerful leftist."

The editors, being educated men, must be aware that "leftist" is about the weakest possible adjective to use to describe Senor Camacho, a veteran leader of the Communist Party of Spain. Camacho's comrades in the United States make no bones about reporting his position in the Central Committee of the Communist Party of Spain, why the hesitation in the mass media?

In addition, Camacho is more than a mere "labor leader." Camacho is the chief organizer of the illegal and clandestine Workers' Commissions in Spain. The Communists have not been shy about proclaiming their sponsorship and organizing of the Workers' Commissions in their own publications, yet Giniger's article only notes that at the trial of Camacho and other organizers—known generally as the "Carabanchel Ten"—the Workers Commissions "were termed branches of the illegal Communist Party," giving the impression that there is some doubt to the facts.

The American public is rightly concerned about developments in Spain. That country's government is undergoing a major transition. America's military bases are up for renegotiation. And the example of the leftist revolt in neighboring Portugal with attempted Communist takeovers stands as a warning to Spain.

Perhaps the mass media are afraid to report on the public activities of Communists lest they be charged with "Red-baiting" by their limousine liberal and chic radical cocktail party friends, and therefore deny the American public significant information.

CXXI—2468—Part 30

COLORADO GOVERNOR AND HOUSE CONFEREES TO BE COMMENDED FOR IMPROVEMENT OF SYNTHETIC FUEL LOAN GUARANTEE PROVISIONS IN ERDA AUTHORIZATION BILL

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. McKAY. Mr. Speaker, on Monday, I spoke in favor of the loan guarantee authority for synthetic fuels commercialization contained in section 103 of the ERDA authorization bill—H.R. 3474—and I explained the urgent need for approval of this measure in order that a few prototype synthetic fuel projects can proceed now to establish the economic and environmental viability of existing technologies for coal gasification and shale oil production—see CONGRESSIONAL RECORD, December 1, 1975, page 37902.

Since my remarks on Monday, the Governor of our neighboring State of Colorado, the Honorable Richard D. Lamm, has publicly announced his support of the loan guarantee program for synthetic fuels. Governor Lamm appeared twice at the extensive hearings on this measure held by the Science and Technology Committee, testifying both on behalf of the State of Colorado and in his capacity as chairman of the Synthetic Fuels Subcommittee of the National Governors' Conference. In his testimony, Governor Lamm recommended several modifications in the Senate version of the bill to provide for State and local participation, and to assure adequate financing for impacted community development.

The recommendations which the Governor considered essential for a sound program have been adopted by the conference committee, and Governor Lamm has now publicly expressed his satisfaction with the bill. I commend Governor Lamm for his effective leadership in presenting the views and concerns of his State.

I also commend the distinguished chairman of the Science and Technology Committee, Mr. OLIN E. TEAGUE, for the comprehensive hearings held by his committee on the proposed loan guarantee program for synthetic fuels. As a result of these hearings, Chairman TEAGUE and other House conferees were able to obtain constructive changes in the Senate version of section 103, including controls and safeguards designed to protect the States and communities which will be affected by the synthetic fuels loan guarantee program. I congratulate my colleagues on the conference committee for these important improvements.

At this point, I insert in the RECORD, an article from the Denver Post of December 3, 1975, containing the public statements of Governor Lamm and others in support of section 103:

LAMM-BACKED FUELS BILL OKAYED

(By Leonard Larsen)

Chief, Denver Post Washington Bureau

WASHINGTON.—A Senate-House conference committee Tuesday approved the final ver-

sion of a \$6 billion synthetic fuels development program incorporating "bottom line" demands made by Colorado Gov. Dick Lamm and other resource-state governors.

The final roadblock to Lamm's approval of the bill—a guarantee of the applicability of state law over synthetic fuel projects—was cleared by Sen. Floyd Haskell, D-Colo.

The "applicability" provision, while not in the final version of the bill, would, under the agreement pushed through by Haskell, appear in the conference committee report of the measure to demonstrate legislative intent.

As outlined by Haskell and accepted by the committee, the report will provide that in the event of any federal-state legal conflict on a proposed synthetic fuels project—such as shale oil—state governments will be allowed to assert stronger state law in land reclamation and plant and utility sitings.

That right to the states would occur when state governments, as also provided in the bill, were exerting their authority of concurrence with a proposed development project, whether on private or federal lands within a state.

Earlier in the day, Lamm said that with the adoption of an "acceptability" provision, he would be satisfied with the disputed section. It opens a \$6 billion program in loan guarantees for synthetic fuels development, mainly oil shale, coal gasification and coal liquefaction.

In addition to applicability of state laws and concurrence by state governments in proposed projects, Lamm's other "bottom line" demands on the bill included guarantees of "impact" aid to local communities, planning and review participation by state and local governments, and limitation on project plant size to demonstrate commercial viability.

Haskell, a member of the Senate-House conference committee, several weeks ago had agreed with Lamm on the "bottom line" demands and successfully pushed their acceptance in the committee.

With the work of the conference committee concluded by acceptance of the final version of the bill late Tuesday, Haskell predicted passage of the measure in the Senate.

"GOOD BILL"

"The bill's in good shape. It's a good bill," Haskell told reporters. "The states have what they want . . . I don't think it will run into opposition."

Earlier Tuesday, Rep. Tim Wirth, D-Colo., who had participated in House opposition to the \$6 billion synthetic fuels development program, conceded that, with the inclusion of "safeguards" now present in the bill, he would support its final passage in the House.

Wirth and other House members had been angered at the maneuvers which placed the massive synthetic fuels program in conference, although it had not been considered either in House committees or by the full chamber.

The fuels development program had been attached by Sen. Henry Jackson, D-Wash., as a last-minute amendment to the routine appropriations authorization for the Energy Research and Development Administration.

With passage of the Jackson-inspired amendment in the Senate last July, Wirth and other House members complained that House conference on the over-all ERDA bill were confronted with a \$6 billion program—with potential heavy impact on Colorado and other resource states—that had never been considered by the House.

Wirth and Rep. Ken Hechler, D-W. Va., were instrumental in stalling final passage of the measure in the conference committee until after a series of hearings both in Washington and Colorado.

Explaining his shift to support of the bill, Wirth said Tuesday that "with these safeguards in it, this is the best piece of legislation we're going to get out of this Congress, or probably any other Congress."

CRASH PROGRAM

He was concerned, Wirth said, that a future energy emergency, such as Middle East oil embargo, could result in a crash program of shale oil development without the "safeguards" contained in the bill approved by the conference committee Tuesday.

Despite the support of Haskell and Wirth, the final version of the bill still was opposed by the majority of the members of the Colorado delegation.

The two Republicans, Reps. Jim Johnson and Bill Armstrong, along with Rep. Pat Schroeder, D-Colo., have opposed the \$6 billion loan guarantee program as an improper function of the federal government.

Sen. Gary Hart, D-Colo., has called for separate legislation in which oil shale wouldn't be tied to research and development in coal. Rep. Frank Evans, D-Colo., was described by an aide Tuesday as still undecided in his stand on the final version.

In the conference committee's final meeting on the ERDA bill incorporating the synthetic fuel program, members accepted—in addition to the state law "applicability" provision—another provision which would place a 90-day limit under which decisions by the ERDA administrator could be appealed to a federal court.

The court review applies mainly to the concurrence or "limited veto" powers extended to state governments.

As the measure now stands, the ERDA administrator would have the power to override in the national interest a project "veto" asserted by state government but that override would be subject to court review if action were filed within 90 days.

The panel members, however, turned down several White House requests for change in the final version of the bill, including one to abandon the court review provision and another to drop language in the bill which bars foreign governments from majority ownership of firms involved in projects with federal loan guarantees.

The latter request was made by the State Department which suggested the prohibition of loan guarantees to foreign-owned firms might harm relationships of nations involved with the United States in the International Energy Agreement.

Hechler spiked the State Department plea, noting that it would allow participation by partners to that agreement but would bar participation by "Latin American and Third World" countries.

Also rejected by the committee was a proposal by Rep. Barry Goldwater Jr., R-Calif., that federal officials hired to administer the loan guarantee program not be required to make a full public financial disclosure.

Such a provision, Goldwater maintained, was an "invasion of privacy."

Hechler successfully countered that "if people coming into government have a direct financial interest in the companies they are guaranteeing loans to, that fact ought to be made public."

INACTIVITY OF THE UNITED NATIONS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. CONTE. Mr. Speaker, I would like to address myself today to an issue which I feel exemplifies the frustration and anxiety felt by a large number of Ameri-

cans toward the United Nations. There is as I stand here at this moment, a new emerging nation being literally ripped apart by internal and external forces. The clouds of this disaster were beginning to form long before Monday, November 9, when the United Nations approved a resolution equating Zionism with racism. Nothing, however, was even attempted in an effort to avert bloodshed in Angola.

I am especially aware and sensitive to the situation in Angola. From my position on the Foreign Operations Appropriations Subcommittee, I have watched these former colonies move toward independence. I did all I could to insure that our development aid would be available to them in their struggle to survive the trauma of independence. What we now see is all our work and hope and the work and hope of Angolans being shredded in another civil war for control of an African nation.

In the absence of so much as a passing interest by the United Nations, other powers are moving in swiftly to carve out a sphere of influence. Meanwhile the United Nations has plenty of time to pass resolutions condemning the beliefs of minorities and to attempt to pigeonhole a resolution calling for the release of political prisoners.

One of the founding principles of the United Nations, as I remember, was that it would practice tolerance and its nations would work together as good neighbors. The vote on Zionism and the current events in Angola seem to show a glaring deficiency in its ability to be a constructive influence in the world.

Three rival political factions, all supposedly trying to liberate Angola from each other, are carving out enclaves, enlisting mercenaries, asking for superpower support and shedding fellow Angolan blood. It is estimated that already 12,000 lives have been lost. Reports of Russian planes, Cuban pilots, Mozambique guerrillas and South African tanks increase every day. Capitals are set up and overtaken regularly, yet the United Nations cannot tear itself away from sowing mistrust and disunity among its own members. It is bad enough that a group of nations can commit such odious blunders as equating Zionism with racism and hesitating to call for the release of political prisoners, but where the United Nations could fulfill the role for which it was created, it does nothing. Why have an organization that can sit in New York and call names, yet will not stop the improper alien intervention in the future of an emerging nation? I think it is a crime that the United Nations will not lift its voice much less its hand in defense of a nation being carved, claimed, and bloodied.

The inactivity of the United Nations in this matter and its unfortunate activity in the area of name calling have seriously undermined the support among the American public. How long it will be before Americans are fed up with an organization that will not fulfill its mission, I can only guess. I would suggest that the United Nations pay attention to the mat-

ters of crucial importance for which we entered in the first place. If it will not or cannot do its job effectively, I do not believe the United Nations can maintain any support among the American people.

Mr. Speaker, I insert in the RECORD an editorial and a news item on this subject.

The articles follow:

[From the Providence Journal, Nov. 28, 1975]

LIMIT AID TO ANGOLA

"Secretary of State Henry A. Kissinger's warning to the Soviet Union on aid to the Marxist faction in Angola suggested that the Ford administration has set a limit on detente. Go beyond that limit, Mr. Kissinger seemed to be saying to the Russians, and you may find that the road to detente has been closed.

"But what is the limit on aid to the Angolans? The Russians already have invested heavily in such aid to the Popular Movement for the Liberation of Angola. If their clients appear to be getting the worst of it, the Russians may very well increase the scale of assistance.

"The Americans, for their part, appear to have been supplying the anti-Communist faction, the National Front for the Liberation of Angola. Perhaps the Americans have been a bit more sophisticated about how they did it—funneling arms and other supplies through neighboring Zaïre. Should the tide flow against the Front, the CIA or other American agencies would then be under pressure to step up the tempo of their assistance.

"In an escalating confrontation of this kind, Angola might very well become another Congo, but this time without the intervention of a United Nations force. In the Angolan internal struggle for power, or at least for influence, any chance of compromise between the factions is doubtful; they are more likely to wage a fight to the finish, because there is little room for compromise between Communists and anti-Communists.

"Detente originated through a realization in both Washington and Moscow that confrontations between the superpowers were far too dangerous in an age of nuclear missiles. The basic thrust of detente is to reach agreements for cooling off superpower antagonisms and scaling down the level of armaments, so that the world may back away from the brink of nuclear catastrophe.

"The small wars, waged on ideological grounds, constantly threaten the balance that has kept the peace of the world for 30 years. They must not be allowed to upset that balance. Detente offers a road of mutual trade and aid between the superpowers, especially in view of the deficiencies of both Russian agriculture and consumer industry. The product of detente is too valuable to be spoiled by civil war in Angola."

UNITED STATES-SOVIET RELATIONS

The Soviet Union's intervention in Angola will certainly have an effect on relations between Washington and Moscow, a senior American official on Secretary of State Henry Kissinger's plane said yesterday. The official revealed that the Soviets have set up an arms airlift to the newly-independent African state—one of Moscow's most ambitious military projects in history. He added that Cuba has sent 4,000 to 5,000 troops to Angola. The official also disclosed that an American action in July prevented a complete takeover of Angola by Soviet-backed forces aided by Cuban troops. The senior diplomat told reporters that no joint Sino-American strategy for Angola was worked out during President Ford's trip to Peking and that American efforts in the African country were not being conducted with South Africa.

EQUAL JUSTICE FOR NON-ENGLISH-SPEAKING LITIGANTS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. RANGEL. Mr. Speaker, today's Hispanic-Americans are often mistreated within the judicial system. New York City serves as a prime example of these injustices.

Too often we find the sixth amendment rights of the Hispanic community infringed upon. Due to the barriers that Spanish-speaking citizens face as a result of court proceedings being conducted in English, they are oftentimes at a severe disadvantage during the course of their trial. There are not enough interpreters on hand at all times to aid communication within the court. Alienation occurs when Spanish-speaking citizens cannot properly communicate with non-Spanish-speaking citizens.

A report was recently prepared for the New York County Lawyers' Association on the issue of equal treatment under the law. I think its findings underscore the need for corrective legislation. I would like to share with my colleagues this report, which follows:

NEW YORK'S CRIMINAL JUSTICE SYSTEM JEOPARDIZES RIGHTS OF HISPANIC DEFENDANTS

NEW YORK CITY.—The operations of New York's criminal justice system seriously discriminate against the city's Hispanic community of two million people and may be unconstitutional in many instances, according to a report issued today (Aug. 18) by the New York City Lawyers' Association.

Prepared by the thirteen-member Special Committee on Penal and Correctional Reform under the chairmanship of Harold Baer, Jr., former chief of the criminal division in the U.S. Attorney's office, the report is a detailed indictment of inequities jeopardizing the constitutional rights of thousands of Spanish-speaking defendants in New York City.

Commenting on the report, Baer said that from arrest through imprisonment, "the Spanish-speaking man and woman in this community and probably in others across the country are severely handicapped. The Committee suggests that much of this treatment may be unconstitutional. Perhaps even more importantly, such treatment cannot help but result in a loss of self-respect, which seems only to spur more criminal activity and recidivism."

Threat of deportation, unnecessary detention, isolation and despair—even suicides—have resulted from the average Hispanic defendant's inability to understand English, the Committee found.

"Since the study was completed," Baer added, "the situation has reached crisis proportions. Due to the city's current financial emergency, the Department of Correction has informed us that all 139 correction aides—many of whom were bilingual—have been discharged. Then earlier this month, the Legal Aid Society, which handles 70% of all criminal defendants in the city, had a drastic personnel reduction," Baer said, "Twenty-four lawyers, and 44 staff members were dropped."

"Immediate financial aid must be forthcoming to restore bilingual personnel and make necessary reforms," Baer emphasized. "Otherwise, the intolerable situation described in the Committee's report may alienate irreversibly a majority of the 1,200,000

Puerto Ricans and 800,000 other Hispanic people living in New York City."

The NYCLA study recommends broadscale reforms within and outside the system including:

Investigating the feasibility of Spanish-speaking parts in the courts;

Increased employment of bilingual paraprofessionals, correctional aides, and interpreters throughout the criminal justice system;

Recruitment of more Spanish-speaking students by metropolitan area law schools;

Watchdog committees established by bar associations to monitor and report treatment of Hispanic defendants; and

Priority support by the city administration for the Hispanic Criminal Justice Task Force established in 1973.

In the report partially funded by the BASICS program of the American Bar Association, the NYCLA's Special Committee describes how many constitutionally guaranteed rights are denied to Spanish-speaking citizens. For example, illiterate prisoners who speak only Spanish may not be properly advised of their rights prior to interrogation by non-Spanish speaking police officers. Hispanic defendants must often be jailed rather than released pending arraignment or trial because necessary procedures cannot be completed.

The rights of Spanish-speaking defendants are again in jeopardy during courtroom proceedings. Non-Puerto Rican Hispanics, unaware of how to protect their alien status, often face almost certain deportation.

Bilingual courtroom aides are hopelessly overtaxed. In Manhattan Supreme Court, for example, only nine interpreters are available to handle at least 1,000 new cases each year involving Hispanic defendants—a condition the Committee brands as "manifestly ridiculous." Those defendants who speak only some English are the "real victims," for marginal knowledge is insufficient to provide "anything but a murky understanding of unfamiliar courtroom proceedings."

"If the system is to work equitably," the Committee report concludes, "interpreters must be provided to defendants even when they are not requested specifically . . . defendants should be made to feel that having an interpreter is their right. Further, the City must provide more and better interpreters . . . at every stage of the system."

The unconstitutional nature of pretrial detention practices involving Spanish-speaking prisoners is also detailed. The Board of Correction told the Committee that it estimates 26% of its inmates are Hispanics, but only 5%, or 200 employees, in City prisons speak Spanish. This communication barrier breeds a "sense of isolation and despair," the Committee found, leading to "a disproportionate number of suicides by Puerto Rican defendants."

The problem is "exacerbated enormously in upstate prisons." The Committee found that many Hispanic prisoners were denied access to favorable vocational training programs which might result in well paying jobs on release. Hispanic inmates must use their vocational training time to learn English. That seldom leaves time for the average prisoner, serving a relatively short sentence, to learn both English and a job skill, according to the study.

A special mailing of the report is being made to legislators, members of the judiciary, and law enforcement officers at the Federal, State and local level, as well as to other bar associations and law schools.

"The failure of the criminal justice system to meet the needs of Spanish-speaking men and women is not unique to New York City," Baer believes. "By bringing our findings to the attention of leaders elsewhere, we hope to generate national support for reforms in the criminal justice system which

will benefit Hispanics wherever they live in the U.S."

THE CROSS-WABASH CANAL

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. FITHIAN. Mr. Speaker, many of my constituents are deeply disturbed about the possible construction of a Cross-Wabash Canal to connect the Ohio River with either Lake Michigan or Lake Erie.

Many of these concerned constituents have asked questions about the nature and scope of the Army Corps of Engineers' various projects on the Wabash River and their potential impact on the Cross-Wabash Canal.

Due to this controversy, I wrote the Army Corps of Engineers a letter on October 28, 1975, and recently received their reply. The letter I received from Gen. Kenneth McIntyre was reassuring to those of us who oppose construction of the proposed Cross-Wabash Canal. It is my sincere hope that this letter lays to rest, once and for all, the incorrect notion that the reservoirs in the Wabash River Basin, especially the Lafayette Lake project in Tippecanoe County, are in any way connected with the Cross-Wabash Canal proposal.

Several years ago, the Army Corps of Engineers conducted a study of three alternative sites for a canal to connect the Ohio River with either Lake Michigan or Lake Erie. Although the Corps has stated that it has dropped any plans to construct such a waterway, some citizens are concerned that this project will be completed and that it might need an external water source, namely Lafayette Lake.

General McIntyre correctly reiterated in his letter that the canal project is simply not economically feasible. Furthermore, it is clear the Corps has no intention of even studying the extension of the canal beyond Terre Haute.

Those who have heard my public statements in the past know that I have consistently opposed this boondoggle, which is what the Cross-Wabash Canal would amount to. As long as I am representing Indiana's Second District, no canal will be built across this district. It is economically infeasible and environmentally unthinkable.

I have consistently opposed anything that would detract from Lafayette Lake's purposes: Flood control and recreation for the people of Tippecanoe County and the surrounding area. Toward those goals, which I believe to be in the best interests of the citizens I represent, I will continue to work.

I would like to share these letters with my colleagues in the House and commend them to your attention:

OCTOBER 28, 1975.

Mr. KENNETH MCINTYRE,
Acting Director of Civil Works, U.S. Army
Corps of Engineers, Washington, D.C.

DEAR Mr. MCINTYRE: I am writing to you because many of my constituents and I

share a grave concern about the proposed "Wabash navigation system" and its possible implications for north and central Indiana. Too many questions concerning the proposal remain unanswered.

Several years ago, the Army Corps of Engineers conducted a study of three alternative sites for a "Cross Wabash Canal" connecting the Ohio River with either Lake Michigan or Lake Erie. Although the Corps has publicly stated that it has dropped any plans to construct such a waterway, many of my constituents in the Wabash Basin are understandably concerned that this project eventually will be completed. I share their concern. Therefore, I must ask what factors led to your apparent decision not to build this canal, whether or not the proposal was economically feasible and if you now or at any time plan to recommend the development of this project.

Recently, the Army Corps of Engineers began a study of the Wabash navigation system from the Ohio River to Mt. Carmel, Illinois. The Corps is now expanding this study to include the Wabash River section from Mt. Carmel to Terre Haute, Indiana. Some individuals have hypothesized that this is a piece-meal attempt to reconstruct the original plan for a "Cross Wabash Canal" and I share their legitimate concern about the project. Are there any plans, either currently or in the foreseeable future, to study any part of the Wabash River section between Terre Haute and Lafayette? Are any plans projected to study the river beyond Lafayette, i.e., to Fort Wayne?

If such a canal were constructed, it is my understanding that an "external water source" would be needed to supplement the water level in the canal at the point where the northern and southern drainage slopes meet (the point where water flows north to Lake Michigan and south to the Ohio River). This additional water supply would be needed, I am told, to facilitate the movement of ships across this juncture. One route to Lake Michigan, via the Tippecanoe and Kankakee Rivers, the drainage divide is near the Pulaski and Starke county boundaries. On the route to Lake Erie, via Fort Wayne, the drainage point is near the Ohio and Indiana boundary. Is there any possibility that flood control and recreational reservoir projects, such as Lafayette Lake or Mississinewa Lake, could be utilized to supply the needed "external water supply"? If these reservoirs are not used, what water source would be utilized?

Many local residents in Tippecanoe County and the surrounding area have argued that there is a connection between construction of Lafayette Lake and the ultimate construction of the "Cross Wabash Canal." These citizens believe that during the peak summer days of high temperatures and low rainfall, the proposed canal would need an "external water supply" to maintain its minimum depth of nine feet. To achieve this depth, they say, a series of reservoirs in the Wabash Valley would be utilized to supply the water at the very time that the public would like to use these excellent recreational facilities. Their arguments have raised doubts about the purpose and scope of construction of Lafayette Lake.

I must demand, then, that the Army Corps of Engineers respond to some of the important questions that have been raised about any perceived connection between the Lafayette Lake project and the "Cross Wabash Canal" scheme. Are there any set of circumstances under which the water in Lafayette Lake would be utilized to supplement the water level in any proposed canal system? Would not an act of Congress be required to alter the purpose of the Lafayette Lake project to include water flow to the canal, or to change the physical design of the dam? Indeed, would any canal, if ever constructed,

need any "external water supply" from any source?

I am sure you will understand that the public confusion now being spread through Tippecanoe County concerning the relationship or non-relationship of the Lafayette Lake project to any "Cross Wabash Canal" makes necessary the clearest possible statement of the facts. I have sought these facts in the above questions, but because I am not a civil engineer with expertise in canal-building, if other information relevant to a thorough layman's understanding of the situation comes to your attention, I would appreciate your including it in your reply.

Thank you very much for your cooperation in attempting to clarify for a large number of citizens the facts about these projects.

Sincerely yours,

FLOYD FITHIAN,
Member of Congress.

OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., December 3, 1975.

HON. FLOYD J. FITHIAN,
House of Representatives,
Washington, D.C.

DEAR MR. FITHIAN: This is in response to your recent letter concerning the relationship of "Wabash Basin Lakes" and the "Wabash Navigation System." The questions you pose have been addressed to Corps representatives many times. Therefore, I am pleased to provide answers with the hope that they will then be convincing, to those who have previously raised such questions, as to the relationship of the Wabash lakes and possible Wabash navigation systems.

For some time the Louisville District Engineer, in response to a number of resolutions (6) by the U.S. Senate and U.S. House of Representatives, has been studying a potential navigation system for the Wabash River. Three routes were considered which would have provided a through waterway from the Ohio River to the Great Lakes. One route would have connected to Lake Erie while the other two would have terminated at Lake Michigan. All studies to date have indicated that none of these routes is economically feasible. Consequently, at a Public Hearing at Vincennes, Indiana, on April 23, 1973, the Louisville District Engineer announced that further work would not be done on the through routes. At the same hearing, the District Engineer advised that studies would be continued from the Ohio River upstream to Mount Carmel, Illinois, since a navigation project on that reach appeared to be economically feasible. That work is continuing.

The recent extension of the study from Mount Carmel to Terre Haute is in response to a new, specific resolution of the U.S. Senate Public Works Committee dated May 6, 1975. Terre Haute is the farthest logical upstream terminus on the Wabash River and the Corps of Engineers has no plans for studies of a waterway upstream from that geographical location.

The depth of water required for navigation in the lower Wabash River would be obtained by dams on the canalized portion. The basic water requirements for this potential navigation project, from either Mount Carmel or Terre Haute downstream to the Ohio River, would be that required for lockages. Flows in the Wabash are sufficient to maintain full lockage capability, except in the most extreme drought.

I know there is a persistent rumor that Lafayette Lake and other authorized reservoir projects in the Wabash Basin are planned to support navigation on the river, but it is only that—a rumor. The Corps has no plans and, indeed, there is no demonstrable need for releases from any existing or authorized lakes for navigation purposes. I cannot contemplate any set of circumstances in which water from Lafayette Lake would be used to directly support navigation in the lower Wa-

bash River. Specific legislation to prohibit use of water releases from Lafayette Lake for support of a navigation project on the lower river would have no impact on the feasibility of the potential navigation project being studied.

I expect the Lafayette Lake project to prove to be a most beneficial project for flood control and recreation in the Wabash River Basin. The plan for operation of the reservoir is predicated on those functions. I emphasize, there is no essential linkage between the current navigation studies and Lafayette Lake. I emphasize also that the navigation studies are simply that—studies. They will have full public exposure as they progress.

Sincerely yours,

KENNETH E. MCINTYRE,
Brigadier General, USA,
Deputy Director of Civil Works.

AN AGRICULTURAL VIEW OF THE RUSSIAN GRAIN DEAL

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

MR. HANSEN. Mr. Speaker, Oscar Field, president of the Idaho Farm Bureau, has responded to President Ford's announcement about the Russian trade agreement in a very meaningful way.

Mr. Field, the leader of 19,000 farm families in Idaho, named particulars he felt were wrong with the agreement:

First, government to government trading is wrong in principle because it means sharing world markets on the basis of political determination. This agreement is a precedent for more serious restrictions on farm exports.

Second, the initialing of this agreement only formalized the breach of faith which occurred when President Ford broke his promise made at planting time that farmers would have unfettered access to world markets.

It is obvious that this is a sellout by the Ford administration to the AFL-CIO maritime unions as represented in the higher rates to be paid on grain export shipments which are restrictive in promoting foreign trade.

No one should be misled that the United States-Soviet oil agreement provides any real solution to the energy crisis. It is largely cosmetic. The negotiated Russian oil imports represent only about 1 percent of our total imports.

Mr. Speaker, the text of Mr. Field's statement follows as reported in the Idaho Farm Bureau News of November 1975:

PRESIDENT'S REPORT

(By Oscar Field)

America was founded by and for those seeking liberty and freedom from oppression.

Emerson said, "For of what avail is plow or soil, or land or life, if freedom fail?"

What has happened to that great desire for freedom?

It may be that too many Americans have become apathetic. It is much easier to let the government take care of us. More aspects of our lives than ever before are subject to the whims of those who profess to be doing all things for our good.

We are told to buckle our seat belts, hire given percentages of women and minority groups, answer intimate questions on census

forms and turn over larger and larger portions of our incomes in the form of taxes to be doled back as supposed gifts.

Environmental and OSHA standards are proposed that border on the ridiculous.

We are being saved from ourselves by the ERA, OSHA, FCC, ICC, NLRB, etc., and now even Mr. Meany has taken the role of protector for all.

What a sell-out! When President Ford announced the initialing of a Soviet Grain Agreement between Russia and the United States, it was a flagrant act of infringement upon the rights of the American farmers. I am angry when I think that George Meany, President of the AFL-CIO, can, through the political power that he holds, force the government to take over more of the trading functions which rightfully belong to private enterprise.

Government-to-government trading is wrong in principle because it means sharing world markets on the basis of political determination.

It is outrageous that Mr. Meany can blackmail the government into curbing the farmers' market in a way that he would never accept for labor. Mr. Meany got his raise for the longshoremen by playing on the emotions of the American consumer under the pretense of being interested in keeping the price of food low. Can't the consumer see that it might be possible that Mr. Meany speaks with "forked tongue"?

Government figures show that labor costs alone for marketing farm foods in 1974 were \$46.7 billion as compared with net farm income of \$27.7 billion. In 1975, the difference will be even greater as net farm income is expected to drop to the mid 20 billion dollar mark, while food marketing costs keep rising. With such an increase in every area of food production, how can we farmers produce "cheap food"?

It is ironical that the very agricultural products which were the major contributor in paying for the soaring costs of oil imports, which allowed the balance of trade to remain in the black, should become the "whipping boy."

The exchange of oil for grain may be palatable to the consumer, but it provides no real solution to the energy problem. The negotiated Russian oil imports represent only about one percent of our total imports.

It is naive to believe that government interference with the market system in the world markets will stop here. It could very well be the first step to controlled international trade in agricultural commodities and like cancer, it could spread so that no industry would be exempt.

This agreement will not only cause hardships for those farmers and ranchers who trusted the word of the President of the United States with all-out production; but the American consumer will suffer as well.

The Russians, with their controlled agriculture, cannot feed themselves. If our government continues to exploit its farmers, where will America go, in the future, to find its food and what will we trade for it?

NIC CONSOLIDATES AND EVIDENCES FURTHER CUBAN INFLUENCE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the National Interim Committee for a Mass Party of the People—NIC—operating from room 326, 156 Fifth

Avenue, New York, N.Y. 10010 (212/243-0591) is a Marxist revolutionary organization supporting the use of "armed struggle"—revolutionary violence and terror—to attain a socialist revolution. On May 13 and 14 and on June 2, 1975, I presented detailed documented reports on this organization to my colleagues, pointing out the NIC's close work with the Cuban-controlled and violence-prone Puerto Rican Socialist Party.

In September leading members of the NIC, including its founder, Arthur Kinoy, traveled to Havana, Cuba, to participate in a meeting called by the World Peace Council, the Soviet Union's chief international propaganda organization. The meeting signalled an intensive international Communist effort to drive the strategically vital American military bases out of Puerto Rico and install eventually a Cuban-style Marxist-Leninist regime in that island.

The National Interim Committee for a Mass Party of the People is working diligently in support of these aims through direct organizing and through the Puerto Rican Solidarity Committee—PRSC—which the NIC operates jointly with the Puerto Rican Socialist Party—PSP.

More recently the National Interim Committee has taken up yet another Cuban-supported cause—that of turning over the U.S. built and owned Panama Canal to the leftist dictatorship of Gen. Omar Torrijos. However, more on that later in this report.

The NIC has been holding meetings of its "political leadership" during the fall to strengthen and centralize control over the chapters, many of which have enjoyed considerable independence during the initial stages of NIC organizing. One such meeting was held in Lancaster, Pa., over the Columbus Day weekend and was attended by about 30 members of the NIC leadership.

The meeting sharpened programmatic and organizational objectives for the coming year, concentrating their attention on the NIC's strategy for the Bicentennial, on development of a national program, and on details of the NIC's internal structure.

The NIC Political Council—PC—renamed from National Interim Committee of the National Interim Committee, a cumbersome and confusing title—reviewed progress made in development of a "76 strategy" with the National Black Assembly and the Congress of Afrikan People, two organizations controlled by the Maoist Communist, LeRoi Jones who calls himself Amiri Baraka.

The Political Council decided to support the National Black Assembly initiative to present an "anti-Democrat, anti-Republican, anticapitalist electoral campaign spearheaded by a black Presidential candidate." In this connection the NIC's "traveler," Ted Glick, had disappointing news for the NIC from the People's Party convention in St. Louis.

The People's Party, a Socialist "New left" party considered a good recruiting ground by the NIC, decided to replace their formal voting delegate on the NIC's Political Council with "a friendly, non-

voting, informal relationship" because of a shortage of funds to attend NIC meetings and because the People's Party views the '76 Strategy as a "retreat from socialism." Nevertheless, reported Glick, "there were indications that if the '76 Strategy ever got off the ground, many within the People's Party might then be open to involvement."

The Political Council underwent some "criticism/self-criticism" for its failure to accomplish NIC goals in establishing a national program. The PC decided to continue work "in the four areas which had already progressed significantly—domestic repression, food, foreign relations, rights and needs of women." The PC decided to initiate organizing drives around the following issues, "housing, jobs and unemployment, rights and needs of blacks and third world people."

The coordinators for these organizing efforts are:

Arthur Kinoy—domestic repression;
David Holmstrom—food;
Ro Reilly—foreign relations;
Joyce Jed—women;
Ted Overman—housing;
Bob Lewis—jobs;
Martha Schwartz—blacks and third world.

The NIC will also publish a theoretical journal "in which preliminary drafts could be circulated for comment as they were developed." Under Arthur Kinoy's direction, the domestic repression group will draft a pamphlet attacking Senate bill 1, the Criminal Justice Reform Act. S. 1 is opposed by the Communist Party, U.S.A. and most other revolutionary groups as legalizing what they term "major steps toward fascism."

Endeavoring to transform the loose NIC structure into something more nearly resembling Lenin's centralized revolutionary vanguard, the PC adopted new resolutions increasing its power over the NIC.

The political council specifically recognized itself as the official political leadership and chief policymaking body of the organization. The PC is to be composed, in its own words, of:

... individuals representing local groups, individuals whose primary organizations commitment is to building a mass party but who are not part of a local group, and individuals with other organizations commitments who are making a significant contribution to the NIC process. Local group delegates will have two votes on the PC. All other PC members, elected at large by the PC, would have one vote apiece. (Emphasis added).

Plainly, the political council will be able to maintain control of the voting majority through its selection of new PC members.

The PC has also decided that its decisions are now binding on the local NIC chapters—classical "democratic centralism" as established by Lenin. The PC strategists cautioned, however, against too sudden and sharp a use of this newly claimed authority, but stated "it was felt that this organizational principle was essential if we are to move forward effectively in confronting real and urgent struggles as a national organization."

Having granted itself these new pow-

ers, the political council of the national interim committee decided that the role of the administrative committee composed of political council members based in New York City was responsible for day-to-day leadership in carrying out PC decision and "for making interim political decisions between PC meetings."

The administrative committee is to supervise the national NIC office and recruit four full-time staff people who will in turn be responsible for fundraising, publications, traveling and general office management.

If discipline can be maintained, the NIC may be a very well-funded revolutionary organization. The PC states that—

Dues are to be a minimum of 1 percent of net income with 25 percent of that going to the national office.

Three types of NIC subgroups were defined:

Local groups—"loose bodies of people talking about but not yet committed to party building."

Organizing committees—"have made the decision to begin building as self-conscious NIC groups."

Chapters—"local groups which have achieved an organizing capability and a composition in compliance with the principles of the Open Letter."

Another meeting of significance was held September 20-21 attended by some 45 NIC supporters and observers from Hartford, Conn.; Boston; Northampton, Mass.; Maine; Vermont; New York; from the NIC national office; the NIC Political Council; and an observer from the Prairie Fire Organizing Committee—PFOC—the above-ground support group for the terrorist Weather Underground Organization—WUO.

The Prairie Fire Organizing Committee includes among its members many former members of the Weatherman faction of SDS who have been staunch supporters of the Cuban Communist regime. It will be recalled that the PFOC group is working with the Cuban-controlled Puerto Rican Socialist Party to plan for massive demonstrations in Philadelphia on July 4, 1976. Both the Prairie Fire Organizing Committee and the Weather Underground Organization itself have said ominously:

The rulers have set the time for the party. Let us bring the fireworks!

An NIC report on the New England regional meeting noted:

Shepard Bliss (Boston) presented a view of the NIC position on imperialism. He stressed (1) the importance of anti-imperialist work and its crucial role in building a mass party; (2) the NIC theory and practice around anti-imperialist work—a high level of activity in support of the struggle for Puerto Rican independence and a policy of non-alignment in relation to the Sino-Soviet split; (3) the current crisis of U.S. imperialism as the struggles move closer to home, in particular Puerto Rico and Panama, emphasizing the importance for the North American left to respond to this struggle.

David Holmstrom (Boston) presented an overview of NIC politics, practice and programs. He emphasized that the NIC is an explicitly socialist of revolutionary formation; the importance and autonomous, self-directed struggles (dualism); the anti-im-

perialist focus; the importance of mass struggle taking the form of a party; and the pivotal nature of the struggles of Black and Third World people and women.

Tensions between the Hartford NIC group and the national office over questions of party building versus local organizing were explored and resolved to some extent in favor of the national office.

The closeness of the National Interim Committee for a Mass Party of the People to the Cuban-backed causes can also be seen in the NIC support for Panama's leftist dictatorship which now claims total jurisdiction over the Panama Canal Zone and the U.S.-built canal.

Castro has given the Panamanian dictator, General Torrijos, his full support. Cuban newspapers and broadcasts report a constant flow of Panamanian officers visiting Cuba for military training.

Puffed up by his Cuban—and Soviet—backers, the Panamanian flyweight dictator has been hinting at starting a Vietnam-style "war of national liberation" to gain control of the strategic waterway. And now the "New Left" fifth column has opened up the initial propaganda barrage.

A few weeks ago a coalition group of "North American anti-imperialists from numerous progressive and radical organizations around the United States," including NIC leader Shepard Bliss, a former U.S. Army officer who now directs the Latin American project at the Cambridge-Goddard Graduate School, spent 8 days in Panama "to support Panama's attempt to regain control of the canal from the United States." No doubt this will require rewriting some history books since Panama has never had control of the U.S. canal and therefore can not "regain" control.

The leftist campaign to hand over the canal to the Panamanian dictator has opened with propaganda articles by Bliss and Steve Kararian, a staffer on Atlanta's radical Great Speckled Bird. The Bliss-Kararian article, September 20, 1975, stated that—

The participants of the trip are making an organized effort to raise the issue of the Canal Zone around the country.

A Bliss article in the September/October issue of Liberation magazine makes the main points that a guerrilla action will be started if the United States does not immediately surrender the canal to the leftist dictator, and that the main reasons that the United States must turn over the canal are that Torrijos wants to extort huge tolls from the ships using the Panama Canal and that the U.S. military facilities are used to train troops for jungle warfare and that these trained troops "have gone to Indochina, the Philippines, and other third world countries where national liberation has been on the agenda."

Bliss also points out that the U.S. bases pose a threat to Communist subversion and terrorist guerrilla movements such as those the Cubans have been trying to export and support for the past 15 years.

It is also noted in passing that a Washington, D.C., radical long involved in supporting Latin American Marxists re-

cently had a letter published in the Washington Post.

Philip E. Wheaton runs a well-financed National Council of Churches operation called EPICA—the Ecumenical Program for Inter-American Communication and Action—from 1500 Farragut Street NW., Washington, D.C. (202/723-8273). EPICA's offices are also the local headquarters for the Puerto Rican Solidarity Committee—headed by NIC traveler Ted Glick—and for several groups who agitate in support of the deposed Marxist Chilean regime of Salvador Allende, including the Common Front for Latin America—COFFLA—and Non-Intervention in Chile—NICH.

Wheaton's letter, published on October 18, 1975, rephrases the Puerto Rican Solidarity Committee call for a "Bicentennial without colonies," cites the World Peace Council's Havana conference in support of U.S. abandonment of Puerto Rico without, of course, mentioning its Communist sponsorship, and ends with the threat:

The issues of D.C. statehood, return of the Canal Zone to Panama and Puerto Rican independence will not go away in 1977 when the bunting has come down. These are more than "welcome causes," they are fighting issues and these fights have only just begun.

The challenge to America is unmitigable. But an informed American public will be able to meet and defeat those forces.

IT IS TIME TO REASSESS THE U.S. RELATIONSHIP TO THE U.N.

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. SYMMS. Mr. Speaker, the United Nations recent declaration that Zionism is a form of "racism" has spawned a number of proposals in this body, aimed at reforming the U.N. into a more responsible institution. Some of these measures amount to mere slaps on the wrist, while others would have the United States temporarily withdraw from the General Assembly or sharply reduce its financial contributions. All of these "cleansing solutions" ignore the U.N.'s true cancer, that is, that the U.N.'s structure and charter are inherently and intentionally flawed. These flaws were designed to insure that the United Nations would never act in the best interests of the free world.

Since its 1946 inception, the United Nations inherent faults include the Orwellian concept that "all nations are equal, but some nations are more equal than others." Hence, the Union of Soviet Socialist Republics has three General Assembly votes while the United States and all other nations have only one.

Mr. Speaker, we must begin to address the disease of the U.N., instead of merely treating its side effects, else the world will continue to slide into a coma of terminal enslavement. Columnist Allan C. Brownfeld drove this point home re-

cently in an excellent article on the U.N. and its structure. The text of Brownfeld's column follows:

IT IS TIME TO REASSESS THE U.S. RELATIONSHIP TO THE U.N.

(By Allan C. Brownfeld)

When the U.N. General Assembly voted to condemn Zionism as a form of "racism" it did much more than express the anti-Israel sentiments of the Arab states and their third world allies. In the long run, it held open to serious question the future existence of the United Nations itself and more particularly the relationship of the U.S. to it.

Many long time supporters of the U.N. in the Congress have been outspoken in their views. Senator Henry M. Jackson (D-Wash.) suggested withholding American aid from nations that voted for the resolution. Another candidate for the Democratic Presidential nomination, Rep. Morris Udall of Arizona, said the vote may result in a "full reappraisal of the United States participation and its role in funding the U.N." Senator Clifford Case (R-N.J.) said the action was "an irresponsible action and a victory for no one." Senator Edward Kennedy (D-Mass.) said the vote compromised the principles on which the U.N. was founded.

It is encouraging to long time critics of the U.N. to see so many of their liberal colleagues finally come to the understanding of that organization's futility. For many years, the U.N. has repeatedly criticized such anti-Communist countries as the Republic of China, South Africa, Rhodesia, Portugal, and Israel. It has expelled Taiwan, imposed a boycott on Rhodesia, and virtually suspended South Africa from last year's session.

This is not to say that there are not valid bases for criticizing any or all of these countries. The real perpetrators of mass murder in the world, however, are never even mildly criticized. No resolutions of censure are aimed at the Soviet Union, Communist China, the satellite nations of Eastern Europe, or the dictatorships of black Africa, for subjugating their own people, eliminating freedom of religion and even the right to leave the country. The Declaration of Human Rights, by which all members of the U.N. agree to live, is regularly violated by most of them. Only the easy targets—such as Israel—ever have their shortcomings publicly discussed.

The United Nations is a memorial to the utopian thinking of Americans who refused to learn anything from the example of the League of Nations. After World War II, Franklin Roosevelt was so determined to create a U.N. that he gave in almost immediately to the demands of the Soviet Union which made it clear—from the beginning—that such an organization would inevitably fail.

Governor James H. Byrnes, who later served as Secretary of State under President Truman, accompanied President Roosevelt to the Yalta Conference where the matter of the creation of the U.N. was discussed.

Mr. Byrnes found that Roosevelt "was more interested in the establishment of the U.N. than in any other item on the agenda." Soviet leader Josef Stalin wanted full membership status for the Ukraine and Byelorussia. Both are Republics of the Soviet Union, meaning that Stalin was clearly asking for three votes for the Soviet Union in the General Assembly. Governor Byrnes believed strongly that it was a mistake to give in to the Soviet Union on this demand. However, according to Byrnes, Mr. Roosevelt told him that his objection to the Soviet demand "might endanger the adoption of the resolution—concerning the organization of the U.N.—by the Soviets."

Thus, the Soviet Union received three votes to one for every other member state,

including the U.S. From the very beginning, the U.N. was flawed by the unreasonable demands of totalitarians and the acquiescence in those demands by the U.S. Government and by the Free World.

The U.N. has not been a force for peace but, instead, has supported terrorists and has refused to take any action against violence. The attitude of the U.N. toward international terrorism was made clear when, in January, 1975, Secretary General Kurt Waldheim permitted the Viet Cong to open an office in Geneva. The U.N. has welcomed PLO leader Yassir Arafat and has encouraged terrorism in Southern Africa. Dr. John Roche, former national president of the Americans for Democratic Action and a long-time supporter of the U.N., now concludes that, "To put it bluntly, the U.N. has been taken over by a coalition of anti-democratic nations . . . The last time I looked the U.S. was putting in about a quarter of the money, to say nothing of the choice of location and other perks. Now I don't like anti-democratic organizations, but I am prepared to accept their existence—so long as I don't pay for their fun and games."

As early as 1946, William Henry Chamberlin, writing in *The Freeman*, noted that, "The very expression, United Nations, is a misnomer, because of the deep divisions of ideology and national interest by which the world is divided. To expect the U.N., given these differences and given its archaic and unrealistic Charter, to point a clear united lead in time of crisis is to expect swift action from a Tower of Babel."

Since its creation, the U.N. has spent more than \$4.7 billion of the U.S. taxpayers' dollars. In 1972, Congress limited annual U.S. payments to 25 per cent of the U.N. budget, down from 30 per cent. The 25 per cent figure is still the highest of any nation. The Soviet Union's payment is 12.9 per cent—when it pays. Of the 134 U.N. members, 92 are in arrears more than \$200 million. More than one half of this indebtedness is owed by the U.S.S.R. and its client states.

It is high time for the U.S. to reconsider its relationship with the U.N.—both political and economic. Perhaps the vote on Zionism will make clear to liberals what conservatives have known for some time—that an organization containing within its ranks the world's totalitarian and aggressive states can hardly protect the democratic and peaceful from them. Those who thought that the U.N. was the world's "best hope" for peace have been proven wrong. We must now act upon that understanding.

BUT WHO WILL REGULATE US?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. DERWINSKI. Mr. Speaker, I am supporting President Ford's proposals for deregulating American business. The argument for reduced regulation is well made in the Chicago Tribune editorial "But Who Will Regulate Us?" on December 7, and I would like to bring it to the attention of the Members:

BUT WHO WILL REGULATE US?

The strongest opposition to the Ford administration's cautious moves toward deregulating business is coming from a curious source—businessmen who fear they might lose the comforts of regulation.

Businessmen have been generous in their

praise of free enterprise and their denunciation of regulation, particularly of pricing and delays of decisions. Yet now, as the prospect of greater freedom comes closer to reality, many who were talking a good deregulation game seem to be changing their tune.

As one administration economist has noted, regulatory reform often seems to mean "get rid of the regulations I don't like, but keep the regulations I do like." In other words, free enterprise is good for "everybody else but myself."

The President has proposed reduced regulation in a number of areas, but primarily in transportation and broadcasting. Objections by air lines, trucking companies, and broadcasters may delay action on the legislation. Action should proceed.

When all the catch phrases are swept away, the objections really mean that regulated companies are afraid of each other. They do not particularly want more competition from within their existing industries, and they certainly don't want any new competitive elements added.

Regulation is almost as old as time. It certainly was a target of Adam Smith's theories of laissez-faire economics in the 18th century. There are few who suggest that total laissez-faire can work in today's complicated world.

But neither should businessmen, of all people, be afraid of the free market. On the contrary, they should be urging Uncle Sam to give back some of the power he has taken away. The public interest may require some government oversight of important industries, but less is better than more.

Regulation certainly should not be maintained simply because industries feel more comfortable or protected with it than without it.

Overzealous regulation reduces competition and the price benefits that would thereby accrue to the public. It can reduce innovation. It reduces individual initiative by prescribing transactions that can or cannot take place. It increases taxpayer expense through subsidies and through the cost of the regulating mechanical process. On top of all this is the tremendous business cost of complying with regulations—a cost that falls on the public in the end.

But the greatest disadvantage of regulation is that it transfers the power to make business decisions from business to the government. Imperfect as the market system is, it does force business at least indirectly to heed the preferences of consumers and to alter its decisions accordingly. The auto industry's move away from big cars and toward compacts is an illustration of this. And this after years of being told that it is the public that responds to the auto companies, not the other way around.

Too often, government regulators answer to no one but themselves—not to the President, not to Congress. And the public interest is often so bogged down in an agency's paperwork that a decision, when it finally emerges, is useless.

A perfect example was the proposed merger of the Chicago, Rock Island, and Pacific Railroad with the Union Pacific. In the 12 years the case was ensnarled in Interstate Commerce Commission bureaucracy, economic conditions were so changed that the Rock Island went bankrupt. Who was served by the process? Certainly not the Rock Island. The public? Hardly. It was denied the benefits of the improved service the original business decision would have provided.

Businessmen who cringe at the thought of reduced regulation aren't very good historians and their economics may be in question as well. If they'd use a shoulder to take on a greater share of the responsibilities of the market system, they wouldn't need one to cry on.

PORT OF LONG BEACH A SCENIC SUCCESS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. ANDERSON of California. Mr. Speaker, the city of Long Beach, in southern California, owns and operates one of the world's busiest and most modern commercial harbors in the world. However, Long Beach is equally proud of the fact that its harbor is also one of the most attractive and environmentally sound ports in operation.

Recently, a visiting group from Russia's Merchant Marine Ministry expressed amazement at the harbor's physical beauty, saying that they had never seen a port like it anywhere in the world. Flowers, trees, waterfalls, and scenic walks coexist in perfect harmony with all the commercial activities of a harbor that have in many cases led to esthetic blight.

Long Beach has simply decided that there is no good reason for a harbor to be ugly—and they have done an excellent job of proving that point. Beautification projects are an important part of port development. Long Beach Harbor, like nearby Los Angeles Harbor, is totally self-sufficient, and is a major moneymaker.

At this point, I would like to enter the following newspaper article in the RECORD from the Long Beach Independent Press-Telegram—December 1, 1975—which describes the efforts of the Port of Long Beach to maintain environmental and scenic quality:

"PARK" ENVIRONMENT WINS PRAISE FOR L. B. HARBOR

(By Mary Ellis Carlton)

"Long Beach harbor is so clean and beautiful it is more like a park," said Ivan V. Pobrezhny, deputy chief of shipping and port operations for Russia's Merchant Marine Ministry.

He was one of six Russians touring all major U.S. ports, including Los Angeles. Long Beach was the last stop.

"None of us has even seen such a port—anywhere in the world," Pobrezhny said.

It's not the first praise the port has received for its environmental quality.

As well as emerging as a leader in world commerce, the port has been cited for protecting its waters and its 11.25 square miles of land, most of which once was ocean.

It has received the President's "E" award for excellence in export activities, and in 1973 won the American Association of Port Authorities' first special award for environmental enhancement and protection, beating out 80 ports in North, South and Central America.

Almost every day, visitors—be they from Helsinki or Hawaii, Bombay or Bermuda—lavishly praise the beauty of the almost entirely man-made complex.

Most never have seen a waterfront where flowers bloom next to cargo terminals. Or where lavishly landscaped scenic drives unfurl like green ribbons through the maze of coke storage sheds, grain silos, oil wells, banana conveyor machines, petroleum terminals and storage yards.

And where else can one find a harbor with a shoreline promenade, complete with waterfall and reflector pool?

"That's our most recent beautification project," said George M. Seufert, the tall and reserved director of port maintenance.

A harbor department employee for 21 years, he believes petunias, eucalyptus and fresh paint can—and should—coexist with cranes, tanks and railroad tracks.

Now being added are long stretches of landscaped walkways where ocean lovers can watch the romance of the sea unfold before them.

Seufert estimates the first phase of the promenade—extending along the water from just north of the Quiet Cannon to Panorama Drive—will be completed by Christmas.

The decoratively lit walkway will enable pedestrians to cross the Queensway Bridge and walk among landscaped surroundings to the Quiet Cannon, the Queensway Hilton or the Reef Restaurant.

"All the construction work, except for 65 feet of walkway and the bridge over the reflector pond and waterfall (by Adolph's at the Queensway Hilton), is now complete," he said.

Later, the promenade will be extended in both directions, along the shoreline past the Queen Mary and to the far end of Pier J, with a fishing area or two along the way.

Still to come is the landscaping of Harbor Scenic Drive northwesterly from Panorama Drive to El Embarcadero Drive, along the Pier J bank of the Los Angeles River, and later, from there to Anaheim Street.

The harbor maintenance department keeps six full-time gardeners busy planting and maintaining oleander, fan palms, eucalyptus, cilia, gazanias—and any other type of trees, shrubs or ground covers which thrive on salt air and landfill.

Almost all the port is landfill. Dredging began at the turn of the century, when Long Beach was principally a lumber port.

It since has grown into the largest and most prosperous market place in the western United States, last year serving more than 100 steamship lines and 2,500 ships and processing 23 million tons of cargo.

Through its period of rapid growth, the port has attempted to fit comfortably and positively into the city's environment.

"But we were so busy growing and solving the subsidence problem that we didn't have a chance—until recent years—to go full scale into landscaping and beautification of the area," Seufert said.

"Maintenance for so large and diverse an area is a continuous program . . . an endless task."

The department has two \$60,000 vacuum sweepers which wash, scrub and vacuum petroleum coke and coal dust—or whatever—from bulk loading terminals and other areas.

A unique oblong harbor cleanup boat, the "Big Dipper," designed and built for the port, combs the harbor for logs or other debris which it scoops up and destroys ashore. The ship is so unique that its plans have been given to other ports.

Tests conducted regularly over the past 20 years, have shown that harbor water quality has remained consistently above the standards prescribed by the Regional Water Quality Control Board. Kelp and starfish flourish.

The harbor department's concern for the environment has proved infectious. There are none of the decaying docks, rat-infested warehouses, oil slicks or unsavory flotsam and jetsam usually associated with waterfronts.

Sea-land has extensively landscaped its headquarters. Sunkist Growers keeps its three warehouses spruced up with orange, lemon and lime-colored paint. Southern California Edison's decorative walls and shrubs screen its facilities.

And the Harbor Department recently earmarked \$82,000 for sprinklers, landscaping, screening and other beautification projects

at its new maintenance yard under Desmond Bridge.

All this costs local residents nothing, according to Seufert.

"The Harbor Department is completely self-supporting. It hasn't had any tax monies or tidelands revenues for 10 years," he said, adding:

"Which, I'm sure, makes the oleanders, petunias, pedestrian walkways and parklands look even more beautiful."

ELEVEN BILLION DOLLAR SUBSIDY OF SYNTHETIC FUELS IS UNWISE

HON. PHILIP H. HAYES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. HAYES of Indiana. Mr. Speaker, I wish to draw to the attention of the full House of Representatives a letter which I signed with 31 of my colleagues announcing our opposition to a \$6 billion synthetic fuels loan guarantee program added to the Energy Research and Development Administration Authorization by the ERDA Conference Committee. The administration has requested as vital for the success of the program over and above the \$6 billion loan guarantees, \$4.5 billion in price supports, \$600 million in construction grants and \$450 million in aid to impacted communities. We are therefore faced with a total price tag which is almost double the amount authorized in section 103 of the ERDA authorization!

Below is the letter which expresses our arguments against this program:

ATTENTION: \$11 BILLION SUBSIDY OF SYNTHETIC FUELS

CONGRESS OF THE UNITED STATES,

HOUSE OF REPRESENTATIVES,

Washington, D.C., December 4, 1975.

DEAR COLLEAGUE: We are writing to urge you to vote against the Conference Report on the Energy Research and Development Administration Authorization because it includes sections 102 and 103—providing an in situ oil shale demonstration project, leasing provisions and a \$6,000,000,000.00 loan guarantee program for synthetic fuels development. These sections were added by the Senate, with no hearings and little floor debate. The Conferees accepted the sections. The principal reasons for opposing the add-on are:

1. The House is being deprived of the opportunity to work its will on this program—which is comparable in magnitude to the TVA project—by its adoption in the Conference. No floor amendments are possible. It may not be possible to have a separate vote on Sections 102 and 103. If no separate vote is possible we must defeat the whole report, sending it back to the Conference with the understanding that we want the synthetic fuels program separated from the ERDA authorization. This could be completed before Christmas.

2. The \$6,000,000,000.00 program distorts our energy priorities by promoting expensive new fuels rather than emphasizing conservation of energy. The loan guarantees are for the development of synthetic fuels—especially gasification of coal and development of oil shale—even though these technologies are not proven and uneconomical. Authorization to use the guarantees for solar and geothermal development was added at the last minute by the Conferees. Based on past

ERDA experience it is clear that no more than a pittance of the authorization would be used for the development of these clean, renewable energy resources.

3. *The full environmental consequences are not known.* Strip mining, disposal of spent shale, urbanization, air and water deterioration, legal battles over scarce water resources, construction of roads and support facilities, increase incidents of cancer due to the effusion, are all anticipated consequences.

4. *The Program's costs are ballooning.* Loan guarantees will cover the cost of constructing the plant, but price supports will be required to market the expensive fuels. The Administration has requested as vital for the success of the program over and above the \$6 billion loan guarantees, \$4.5 billion in price supports, \$600 million in construction grants and \$450 million in aid to impacted communities. We are therefore faced with a total price tag which is almost double the amount authorized in Section 103.

We are advocating that the program receive a thorough study under separate legislation by both Houses of Congress according to established legislative procedure. Thus we encourage you to vote to separate sections 102 and 103 (if we are given the chance to do so on the floor) or vote against the conference report on the ERDA authorization.

William L. Armstrong, John M. Ashbrook, Les Aspin, Max Baucus, Michael T. Blouin, Phillip Burton, Lawrence Coughlin, John D. Dingell, Bob Eckhardt, Floyd J. Fithian.

Donald M. Fraser, Bill Frenzel, Philip H. Hayes, Robert W. Kastenmeier, Robert J. Lagomarsino, John Melcher, Norman Y. Mineta, Patsy T. Mink, Anthony Toby Moffett, John E. Moss, Richard L. Ottinger, Henry S. Reuss, John H. Rousselot, James H. Scheuer, Patricia Schroeder, John F. Seiberling, Harley O. Staggers, Gerry E. Studds, Charles A. Vanik.

RADICAL CHIC REVIVE THE FORTIES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on November 9 the Committee for Public Justice, CPJ, held a \$100-a-ticket benefit dinner and "entertainment" at New York's Circle in the Square Theater to honor writer Lillian Hellman, 70, who founded the CPJ 5 years ago.

Some 250 guests at Gallagher's Steak House heard MIT President Jerome Wiesner lead the tributes to Hellman, whose CPJ, working closely with the American Civil Liberties Union, ACLU, is a principal contributor to the current sustained attack on the Federal Bureau of Investigation's internal security operations.

The expensive evening of food and entertainment—the entertainment consisted of readings from Hellman's 12 plays and two books—was able to raise \$35,000 to enable the Committee for Public Justice to continue its work of dismantling the country's internal security defenses and discrediting the FBI.

The press, which made the CPJ fundraiser national news, characterized Lillian Hellman for the public as one who "suffered through the McCarthy era and prevailed," and as "America's most famous woman playwright."

Not mentioned was the fact that Lillian Hellman had joined the Communist Party, U.S.A., CPUSA, in 1937. In testimony before the House Committee on Un-American Activities in 1952 she said that she had left the CPUSA around 1950. She refused, however, citing her fifth amendment privilege against self-incrimination, to specify a date and would not answer questions about her separation from the Stalinists. Nor would she discuss her CPUSA activities nor those of any of her comrades.

It is difficult to see what Miss Hellman "suffered" other than apprehension at what the HCUA investigators had discovered about her activities on behalf of the Soviet, German, and American Communists, and an embarrassed red face at public disclosure of her red politics.

Four years after her appearance before the House Committee on Un-American Activities, Lillian Hellman's name was included in the Senate Internal Security Subcommittee's list of the 82 most active and typical sponsors of Communist front organizations.

However, now in 1975 the CPJ is characterized in the press as "a civil liberties organization," and no mention is made of its founder's service to the Communist Party which is hardly a "civil liberties" organization. The press, People, of November 24, 1975, and the New York Times, November 7, 1975, for example, quote from Hellman's statement of loyalty to her Communist Party comrades made before the HCUA that she would not "cut her conscience to fit this year's fashion."

Not surprisingly, Hellman has her third book ready for publication next year by Little Brown & Co. entitled "Scoundrel Time." Said the New York Times:

Her new book is written from her point of view, as a victim and as an observer of McCarthyism.

In plain English, it is an attack on public exposure of Communist subversion.

So impressive was the guest list that it seems that the "radical chic" have decided Black Panthers are passé and are including the Communist Party in its nostalgia fad.

Among the celebrities rushing to pay Hellman homage were Jacqueline Kennedy Onassis, Stephen and Joan Kennedy Smith, Leonard Bernstein, Warren Beatty, Candace Bergen, Jane Fonda, Hayden, Mike Nichols, Sidney Lumet, and the Washington Post's award-winning Watergate reporter Carl Bernstein who last December was presented with the Tom Paine Award of the National Emergency Civil Liberties Committee, a cited Communist front long involved in efforts to discredit America's internal security defenses.

A SIMPLE GLOSSARY OF LEGAL TERMS

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. HUNGATE. Mr. Speaker, Punch of November 12, 1975, provided a sample glossary of legal terms which may prove of enormous benefit to consumers as they are about to reap the harvest of all that the advertising industry can do for them when they go to law.

The material follows:

A SIMPLE GLOSSARY OF LEGAL TERMS

(By Miles Kington)

Appeal: Legal version of double or quits.

As your Lordship well remembers: Hint by a barrister that he is about to refer to a completely forgotten and, possibly, imaginary case.

Bail: A surety so large that it may even exceed a lawyer's fees. Many lawyers are said to fall down and worship bail.

Barrister: One who agrees to commit perjury in return for money. One who speaks the language of the law (see Law). At this very moment, 50% of all working barristers are engaged in committing perjury in legal language; to do them credit, they lead otherwise quite normal lives and do not let it weigh on their conscience for a minute.

Bresler: One who seeks to turn legal language into English in return for money.

Capital Punishment: The system of killing a criminal to ensure that he does not repeat his crime. The pros and cons have been so often argued that there is nothing left to say about it, except the little-known, conversation-stopping fact that the first European country to ban it was Liechtenstein (1798).

Conspiracy: When the authorities feel sure that someone has done something wrong but are not sure what, they arrest him on a charge of conspiracy. It is the legal embodiment of the English dislike of people who are too clever for their own good.

Costs: The amount of money needed to bankrupt an acquitted person.

Criminal Law: One that no government in its right mind should ever have passed.

Damages: What is left over after the lawyers and the courts have taken their share.

Edgar Lustgarten: One who dramatizes legal language in return for money; one who has noticed that lawyers' statements are not copyright.

Fine: If a defendant is adjudged to have made money by illegal methods, he is often punished by being fined, that is, by being forced to watch the state enjoy his ill-gotten gains.

GBH: George Bernard haw. A misprint.

Hung Jury: In the bad old Victorian days, the jury was occasionally taken forth and hanged if it could not agree.

In Camera: Private showing of pornographic films.

Jury: Cornerstone of British justice; the right of any shifty, half-witted, scheming villain to be judged by his peers.

Law: The language spoken by lawyers. Also, the attempt by Parliament to define the difference between right and wrong, a question which has stumped the greatest philosophers of all time.

Letter of the Law: A document written on thick vellum, with illustrated initial letters, wrapped in best pink ribbon and costing sums of money beyond the Post Office's wildest dreams.

Legal Aid: If a barrister is too poor to get his own cases, the state will provide them for him free of charge.

Libel: An uncomfortable home truth, which it is fortunately illegal to publish.

Mackenzie's friend: An unpaid legal adviser, and therefore an abhorrence to the law. Also, a Scottish homosexual.

Non volenti fit injuria: No legal glossary would be complete without at least one Latin phrase. This one means: "No-one in the aircraft was hurt."

Oath: Method of allying perjury to blasphemy.

Precedent: A trick which has been tried before, successfully.

Queen's Proctor: An officer of the law whose job is to prevent young gentlemen climbing over the walls of Buckingham Palace after midnight.

Res ipsa loquitur: Another Latin phrase, for good measure. It means: "The thing speaks for itself." Anything that speaks for itself is an abomination in the sight of the law. It should pay a lawyer to speak for it.

Respect, With: Hint that a barrister is about to be disrespectful.

Signed, Sealed and Delivered: An example of lawyers being paid threefold for what is only one job. We may be sure that it was a lawyer who devised hanging, drawing and quartering.

Slander: A kind of character assassination which is forbidden among the general public but much enjoyed by judges when giving judgment.

Solicitor: One who panders for business, e.g. one who writes to a celebrity and points out that he may have been libelled in a recent article in *Punch* and with luck they may get a few quid out of court.

Sub judice: A method of restricting comment on a matter of public interest until it is too late.

Subject to Contract: A legal admission that an Englishman's word is anything but his bond.

Taking silk: Much like taking lead or copper but not half so cumbersome.

Tort: See "Puddy tat."

Under Appeal: Second helpings of sub judice.

Vic causa, vix necessitas: Latin phrase meaning that having a good reason to do something is not necessarily good enough in law. It has never been used in English law, for the simple reason that we have just made it up. How many lawyers among our readers spotted that?

Wherefore: Meaningless word used by solicitors to introduce other meaningless words.

Xanadu: Place where Kubla Khan decreed a stately pleasure dome. That was before he applied for planning permission, of course.

Yes, My Lord: Witty rejoinder by barrister to judge.

Zub Judice: Restricted comment during West Country trial.

ERDA REQUESTS \$4.5 BILLION IN PRICE SUPPORTS FOR SYNTHETIC FUELS PLANTS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. DINGELL. Mr. Speaker, in order that the Members will know what the Energy Research and Development Administration will seek next if the \$6 billion loan guarantee, section 103 of H.R. 3474, is approved by Congress, I bring to your attention the full text of ERDA's October 22, 1975 proposal.

It calls for an authorization of \$4.5 billion in price supports and \$600 million in construction grants as added incentives. Thus, \$6 billion is only the beginning. When we vote this week on section 103, we will in reality be voting for more than \$11 billion to the oil and gas industry. The ERDA letter follows:

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
Washington, D.C., October 22, 1975.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Transmitted herewith is an Energy Research and Development Administration (ERDA) proposal in the form of a draft bill "[t]o authorize the Energy Research and Development Administration to provide price guarantees and construction grants for a synthetic fuels commercial demonstration program, to authorize appropriations for these guarantees and grants in accordance with the Energy Reorganization Act of 1974 and the Federal Nonnuclear Act of 1974 to establish an Assistant Administrator for Synthetic Fuels in the Energy Research and Development Administration, and for other purposes." The authority to provide price guarantees is pursuant to the requirements of Section 7(c) of the Federal Nonnuclear Research and Development Act.

The proposed legislation would authorize ERDA to provide Federal assistance in the form of price guarantees (i.e., the producer would be paid the difference between a base price and any lower market price for the synthetic fuel) and construction grants for a commercial demonstration program to produce synthetic fuel from coal, oil shale, and other domestic energy resources. The creation of a synthetic fuels industry, which would be facilitated by the commercial demonstration program, is essential to help meet the Nation's energy needs in the next several decades and reduce the Nation's dependency on imports of oil. The incentives provided by this legislation, in conjunction with the loan guarantee incentives of Section 103 of S. 598 currently under consideration by a Committee of Conference, could lead to the commercial demonstration of synthetic fuels before 1985. Enclosure 1 sets forth the draft bill and Enclosure 2 sets forth a section-by-section analysis of the draft bill.

The Administrator of ERDA would be authorized, under the Federal Nonnuclear Energy Research and Development Act of 1974 except to the extent otherwise provided in the proposed legislation, to provide price guarantees for synthetic fuel products of a limited number of commercial demonstration plants which have been constructed as a result of this Federal assistance program. The upper limit on all price guarantees authorized under the proposed legislation would be \$4,500,000,000, which we feel would be adequate to cover any payments for price guarantees that might occur over the 25-30 year probable life of the program. A revolving fund would be created within the Treasury for the purpose of supporting the price guarantee program. If at any time the monies in the fund are insufficient to enable the Administrator to discharge his responsibility under price guarantee agreements, authority is provided to the Administrator to issue notes or obligations to the Secretary of the Treasury, subject to such terms and conditions as the Secretary may prescribe, to obtain the funds necessary to make immediate payment to guarantee holders. The authority to borrow from the Treasury would be limited to a specified amount to be authorized in an Appropriation Act. A proposed Appropriation Act which will specify the borrowing authority amount as not to exceed \$1,000,000,000, outstanding at any given time, will be transmitted to the Congress consistent

with the Budget Reform Act upon the passage of this authorization bill. Should any obligations be issued, subsequent repayment to the Treasury would be made by the Administrator by seeking specific appropriations from the Congress.

The borrowing authority of the Administrator is a convenient mechanism to provide funds promptly as needed to pay any future price guarantee obligations while still recognizing that such payments are difficult to estimate and will probably not occur until the 1980 and later timeframe.

Actual price guarantee payments are anticipated to be significantly lower than the requested authorization (i.e., \$4,500,000,000), because of probable increases in the world price of oil. However, the Administrator must be in a position to make payments that may be needed if the price falls below the agreed price levels. The proceeds of the debt issuance would be to make any required price guarantee payments. The authority would not be used for any other purpose. Until such appropriation provision is enacted, the price guarantee authority requested herein would not be utilized.

Additionally, the proposed legislation would authorize the sum of \$600,000,000 for the purpose of providing grants for financing construction project costs of commercial demonstration facilities constructed for the purpose of converting coal, oil shale, and other domestic energy resources into synthetic fuels. We anticipate that an appropriation will be requested to cover the full \$600,000,000 authorized for construction grants. The Synfuels Interagency Task Force Report to the President's Energy Resources Council has identified as an essential incentive to a successful commercial demonstration program for production of synthetic fuels the ability to provide construction grants for a portion of the initial construction capital requirements for certain categories of potential projects. Specifically, this incentive would be particularly useful in aiding electric utilities, whose debt financing to provide capital for the construction of a new synthetic fuel facility is subject to regulatory limitation.

The legislation would require that Congress receive a complete report on each proposed project involving price guarantees or construction grants, prior to the ERDA Administrator approval of a project. No action could be taken thereon by the Administrator for 30 days thereafter.

The creation of a synthetic fuels program assisted by these incentives would require the establishment of a new organizational component to conduct the program. For this purpose, the bill would also amend the Energy Reorganization Act of 1974 to add another Assistant Administrator in ERDA at Executive Level IV who would be responsible for the synthetic fuels commercial demonstration program, and authorize the Administrator to appoint an additional officer at Executive Level V as a deputy.

The comprehensive report referred to above by the Synfuels Interagency Task Force to the President's Energy Resources Council has evaluated the environmental impact and economic aspects of the proposed program. The draft environmental impact analysis which was prepared during the development and consideration of this program within the Executive Branch will be released for the information of Congress and public comment in accordance with guidelines of the Council on Environmental Quality. Site-specific environment statements covering individual projects carried out pursuant to the program will be issued before the projects are accepted.

The inflationary impact of the commercial demonstration synthetic fuels program has been evaluated by the Executive Branch. This evaluation has determined that the in-

flationary impact of this program is not substantial.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's programs to the submission of the draft bill for consideration by the Congress and it is consistent with the Administration's objectives.

Sincerely,

ROBERT C. SEAMANS, JR.,
Administrator.

H.R. —

A bill to authorize the Energy Research and Development Administration to provide price guarantees and construction grants for a synthetic fuels commercial demonstration program, to authorize appropriations for these guarantees and grants in accordance with the Energy Reorganization Act of 1974 and the Federal Nonnuclear Energy Research and Development Act of 1974, to amend the Energy Reorganization Act of 1974 to establish an Assistant Administrator for Synthetic Fuels in the Energy Research and Development Administration, and for other purposes

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

TITLE I

SECTION 101. (a) It is the purpose of this section to authorize Federal assistance in the form of price guarantees and construction grants for a commercial demonstration program to produce synthetic fuels from coal, oil shale, and other domestic resources which, in conjunction with other Federal assistance incentive programs, will lead to the production of an equivalent of one million barrels of oil per day.

(b) (1) The Administrator of Energy Research and Development (hereinafter, the Administrator) is hereby authorized, in accordance with the provisions of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878, 42 U.S.C. 5901 et seq.) except to the extent provided in this Act, to provide price guarantees for the synthetic fuel products of commercial demonstration facilities which convert coal, oil shale and other domestic energy resources into such synthetic fuel products: Provided, that the total amount of such price guarantees shall not exceed \$4,500,000,000, and that the authority to provide guarantees shall expire September 30, 1982. Prior to issuing any such guarantee, the Administrator shall obtain the concurrence of the Secretary of the Treasury as to the timing and substantial terms and conditions of the guarantee.

(2) The Administrator shall submit a complete report to the appropriate committees of the Congress on any proposed project involving price guarantees for synthetic fuel products authorized by this section, which report shall include the estimated amount of the total price guarantee for such project, and no price guarantee shall be finalized prior to the expiration of thirty calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the date on which the Administrator's report is received by the Congress. Specific authorization shall not be required for price guarantees for individual projects if such guarantees are from funds authorized by subsection (b) (1) of this Section.

(3) Individual projects receiving price guarantees authorized by subsection (b) (1) of this Section shall be subject to the applicable provisions of the Federal Nonnuclear Energy Research and Development Act of 1974, except that subsections 7(c) (3), 7(c) (5) and 7(c) (6) of such Act shall not apply to price guarantees authorized by subsection (b) (1) of this Section.

(c) (1) There is hereby created within the Treasury a separate fund (hereafter called "the fund") which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purpose of subsection (b).

(2) There are authorized to be appropriated to the fund from time to time such amounts as may be necessary to carry out the purposes of subsection (b). All amounts received by the Administrator or assets derived by him from his operations in connection with subsection (b) shall be deposited in the fund.

(3) All expenses as appropriate, including reimbursements to other government accounts, pursuant to operations of the Administrator under subsection (b) shall be paid from the fund. If at any time the Administrator determines that monies in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

(4) If at any time the monies available in the fund are insufficient to enable the Administrator to discharge his responsibilities under price guarantee agreements authorized under this Section, he shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. This borrowing authority shall be effective only to such extent or in such amounts as are specified in appropriation acts and shall be available without fiscal year limitation. Redemption of such notes or obligations shall be made by the Administrator from appropriations or other monies available under subsection (c) (2). Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purpose for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(d) (1) There is hereby authorized to be appropriated to the Energy Research and Development Administration \$600,000,000 for the purpose of providing grants for financing construction project costs of commercial demonstration facilities for the conversion of coal, oil shale, and other domestic energy resources into synthetic fuels, and the Administrator is hereby authorized to make such grants; provided that authority to make such grants shall expire September 30, 1982.

(2) The Administrator shall submit a complete report to the appropriate committees of the Congress on any construction grant to be awarded pursuant to subsection (d) (1) and no grant may be made prior to the expiration of thirty calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the date on which the Administrator's report is received by the Congress. Specific authorization shall not be required for construction grants for individual projects if such grants are made

TITLE II

SEC. 201. (a) The first sentence of subsection from fuels authorized by subsection (d) (1) of this Section.

tion 102(d) of the Energy Reorganization Act of 1974 is amended by deleting the words "six Assistant Administrators" and inserting in lieu thereof "seven Assistant Administrators," and adding after "fossil energy," the words "another for synthetic fuels."

(b) The first sentence of subsection 102(f) of the Energy Reorganization Act of 1974 is amended by deleting the word "eight" and inserting in lieu thereof "nine."

(c) Subchapter 11 (relating to Executive Schedule pay rates) of Chapter 53 of Title 5, United States Code, is amended as follows: paragraph (100) of Section 5315 is amended by deleting "(6)" and inserting in lieu thereof "(7)"; paragraph (135) of Section 5316 is amended by deleting "(8)" and inserting in lieu thereof "(9)."

SECTION-BY-SECTION ANALYSIS

Subsection 101(a) of the bill states the purpose of this section, which is to authorize Federal assistance in the form of price guarantees (i.e., the producer would be paid the difference between a base price and any lower market price for synthetic fuels) and construction grants for commercial size demonstration facilities which produce synthetic fuels from coal, oil shale, and other domestic resources which, in conjunction with other Federal assistance incentive programs, would lead to the production of an equivalent of one million barrels of oil per day.

Subsection 101(b) (1) authorizes the Administrator of Energy Research and Development (hereinafter the Administrator) in accordance with the Federal Nonnuclear Research and Development Act of 1974 except to the extent specifically provided in this bill, to provide price guarantees for the synthetic fuel products of the commercial demonstration facilities which convert coal, oil shale and other domestic energy resources into such synthetic fuel products. The total amount of such price guarantees shall not exceed \$4,500,000,000. The authority to enter into new price guarantees would expire on September 30, 1982. Concurrence of the Secretary of the Treasury is required as to the timing and substantial terms prior to issuing a guarantee. Specific authorization would not be required for price guarantees for individual projects if such guarantees are from funds authorized by this subsection.

Subsection 101(b) (2) requires the Administrator to submit a complete report to the appropriate committees of Congress on any proposed project involving price guarantees authorized by this section for synthetic fuel products. No price guarantee agreement shall be finalized prior to the expiration of 30 calendar days (not including any days on which either House of Congress is not in session because of adjournment of not more than three calendar days to a day certain) from the date from which the Administrator's report is received by the Congress.

Subsection 101(b) (3) provides that individual projects receiving price guarantees, authorized by subsection (b) (1) shall be subject to the provisions of the Federal Nonnuclear Research and Development Act of 1974 except that subsections 7(c) (3), 7(c) (5), and 7(c) (6) of that Act would not apply to price guarantees authorized by this section. Subsection 7(c) (3) basically provides for bids from interested parties to determine the minimum amount of Federal price support needed to construct a demonstration facility. Subsection 7(c) (5) in effect provides for a single Congressional authorization of the full estimated amount of price support for a project selected. Subsection 7(c) (6) requires specific Congressional authorization before any price support program is implemented.

Price guarantees for synthetic fuels authorized by this section have been exempted from the above noted support provisions of the Federal Nonnuclear Research and Development Act. A 12-15 plant synthetic fuel commercial demonstration program has been developed in order to achieve, during its first phase, 350,000 oil equivalent barrels/day of production capacity before 1985. This objective could not be met unless this limited commercial demonstration program is authorized intact. This program necessitates a different procedure for implementing price guarantees than contained in the noted subsection 7(c) of the Federal Nonnuclear Research and Development Act.

The proposed procedure of subsections 101(b) and (c) is consistent with the procedure for loan guarantees for commercial demonstration synthetic fuel facilities contained in the ERDA Fiscal Year 1976 Authorization Bill (Section 103 of S. 598), as passed by the Senate. Since the synthetic fuel commercial demonstration program involves the use of multiple incentives, i.e., price guarantees, loan guarantees and construction grants either individually or in combination, a consistent procedure to consider competitive requests for either one or more of these incentives for specific projects has been selected and incorporated into subsection 101(b) and (c). This is generally consistent with the wide array of financial incentives provided under Section 7 of the Federal Nonnuclear R&D Act.

Subsection 101(c) creates, within the Treasury, a revolving fund which is to be available without fiscal year limitation. Subsection 101(c)(2) authorizes appropriations to the fund in such amounts as may be necessary to carry out the program. The purpose of the fund pursuant to subsection 101(c)(2) is to serve as a conduit to receive monies which may be appropriate to the fund or which may accrue to the Administrator in conducting this program. Expenses as appropriate, such as the payments to the holder of price guarantees, pursuant to subsection 101(c)(3) are to be paid from the fund. It is contemplated that these expenses would not include normal agency operating costs, such as salaries of personnel who are administering the program. Should the Administrator ever be required to fulfill obligations payable under price guarantee agreements, and the fund is insufficient to cover such obligations, authority is provided by subsection 101(b)(4) for the Administrator to issue notes and other obligations to the Treasury. This authority will be requested in the form of an appropriation act subsequent to favorable Congressional action on this proposal. This approach is consistent with the Budget Reform Act. Should any obligations be issued, the Administrator would seek specific appropriations to reimburse the Treasury. The Administrator would be authorized to borrow up to the total outstanding amount which amount would be specified in an appropriation act. The Secretary of the Treasury would be authorized by subsection 101(c)(4) to purchase the notes or other obligations issued by the Administration as a public debt transaction under procedures which are standard in other Government guarantee programs.

Subsection 101(d)(1) authorizes \$600,000,000 for the purpose of providing grants for financing construction project costs of commercial demonstration facilities for the conversion of coal, oil shale and other domestic energy resources into synthetic fuel; provided that authority to make such grants shall expire September 30, 1982. Generally, construction project costs for synthetic fuels facilities would include costs such as the costs incurred for land, construction, interest or other debts during construction, initial start-up expenses, etc.

Subsection 101(d)(2) would require the Administrator to submit a complete report to the appropriate committees of the Con-

gress on new construction grants to be awarded pursuant to subsection (d)(1), and no agreement shall be finalized prior to the expiration of 30 calendar days from the date from which the Administrator's report is received by the Congress. Specific authorization shall not be required for construction grants for individual projects if such grants are made from funds authorized by this section.

Subsection 201(a) would amend the Energy Reorganization Act of 1974 to add one new Assistant Administrator in ERDA for synthetic fuels. This Assistant Administrator would be appointed by the President, by and with the consent of the Senate.

Subsection 201(b) would amend the Reorganization to add one more officer in addition to the Assistant Administrator who could be appointed by the Administrator as the Deputy Assistant Administrator for Synthetic Fuels.

Subsection 201(c) would amend the Executive Schedule pay rates so that the new Assistant Administrator for Synthetic Fuels would be an Executive Level IV and the other additional officer would be an Executive Level V.

ACADEMY OF MOTION PICTURE ARTS AND SCIENCES OPENS NEW HEADQUARTERS

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. REES. Mr. Speaker, today, on Monday, December 8, 1975, the Academy of Motion Picture Arts and Sciences officially dedicates its new headquarters in Beverly Hills. The new seven-story facility, which is located in my district, represents the culmination of nearly a decade of efforts on the part of the academy's president, Walter Mirisch, the board of governors, and the membership. It is the first time in the 48-year history of the academy, a nonprofit organization, that all of its facilities have been located in one building under its own ownership.

The new building will serve as the planning headquarters for the many activities of the academy and its 3,800 members representative of the most talented men and women in the various divisions of the film industry. It contains an 1,111-seat theater, an 80-seat screening room, a major film industry research library, the players directory used for casting purposes, and administrative offices.

The Samuel Goldwyn Theater will be used by the academy's members to screen works in an ideal film-viewing situation. All aspects of the theater's design, including the screen, seat placement, sound system, acoustics and projection room have been custom-designed to make this theater the finest possible facility for screening films. The theater will be able to accommodate every presently anticipated technological advance in the art of filmmaking for at least a quarter of a century. For example, the sound system of the theater anticipates the use of multichannel true-fidelity movie sound in the future, and has made provisions for it. The theater is also equipped to handle stereophonic sound,

as well as quadraphonic—four channel—quintaphonic—five channel—Sensurround, Todd-AO and other six-track systems, and other sound innovations yet to come.

The projection equipment is equally advanced, and will show 16-, 35-, and 70-millimeter films and includes the flexibility to add such exotic advancements as projecting holograms—three-dimensional images. Equipment is in place that will permit showing of all film formats ranging from television proportions to wide-screen dimensions.

The Margaret Herrick Library occupies two floors of the building and contains more than 9,000 books, 500,000 still photographs, 2,000 posters, and files on approximately 40,000 motion pictures, representing almost every American theatrical release since 1915. Generally acknowledged to be the most complete film-related library in the world, its facilities are available without charge to the membership of the academy, students, press, studio research departments, and the public.

The academy brings together some of the most creative and talented people in the motion picture industry who are continuously working to bring the public the best possible entertainment on film. The academy sponsors the annual Academy Awards Presentation, publishes a Players Directory for motion picture and television casting officers, also publishes the Screen Achievement Records Bulletin, sponsors student film awards and scholarships to aid and encourage students of the motion picture in universities and colleges, and presents seminars and film retrospectives.

Through the annual Academy Awards Presentation, only one of the many projects carried out on a year-round basis, the academy has attained worldwide prestige and has provided a powerful incentive for producers, directors, writers, actors, cinematographers and other artists and craftsmen to strive for increasingly higher achievements. The chief aims of the awards for artistic achievement are to raise the standards of motion picture production culturally and technically, and to dignify the film medium.

Mr. Speaker, I include the text of the Christian Science Monitor article of November 7, 1975, in the RECORD at this point in my remarks:

HOLLYWOOD'S NEW TREASURE CHEST

(By Curtis J. Sitomer)

BEVERLY HILLS, CALIF.—Do you know how Archie Leach launched his professional career? Or what Ruby Stevens's favorite food is?

You don't care? Perhaps you would if you realized that Archie Leach is really Cary Grant and Ruby Stevens is Barbara Stanwyck.

People fascinated by Hollywood's "real" names, details of celluloid careers, cast and credit sheets, production files, theatrical profiles, and publicity clips now can glean almost everything there is to know about the silver screen in the Academy of Motion Picture Arts and Sciences new depository here.

Due for formal dedication in early December, "Oscar's" reading room numbers more than 9,000 books, pamphlets, and periodicals about the movie industry—spanning almost a century of filmmaking. Acad-

emy president Walter Mirisch tabs the collection the "most complete film-related library in the world."

And Librarian Mildred Simpson stresses that movieland data isn't kept here merely for those who are tingled by tinsel. The new library, like a smaller facility elsewhere which housed Hollywood memorabilia before it, will cater to serious students of the arts, university scholars, researchers, and movie brass. It is part of a \$4.2 million just-built academy complex which also houses an acoustically designed, futuristic "preview" theater, screening rooms, and administrative offices.

Mr. Mirisch points out that the public generally thinks of the academy only in terms of its annual Hollywood spectacular, the nationally televised and much-promoted awards presentation in the spring.

But he stresses it also sponsors student prizes and university scholarships, presents seminars and film retrospectives, publishes a host of periodicals (including a players directory and credits bulletin for motion picture and television casting offices), and maintains an outstanding research collection.

Even before its official opening, Mrs. Simpson's team of librarians is fielding an avalanche of queries about films ranging from "Birth of a Nation" to "Jaws."

The academy's chief book collector says there is a current concentration of movie research on women and minorities in films and on so-called "B" pictures of the 1940s and 1950s, mainly westerns.

She adds that there is also a renaissance of interest in the careers of the late stars Humphrey Bogart, Rudolph Valentino, Clark Gable, and Carol Lombard.

"But Judy Garland is probably the alltime favorite," Mrs. Simpson says.

Types of films most in demand now, reference staffers say, are whodunits and disaster spectaculars such as "Earthquake" and "Towering Inferno." They add that interest in sports-related scripts has greatly abated.

Among specialty items in the academy library here are a collection of Mack Sennett comedy scripts, and scrapbooks of famed movie columnist Louella Parsons. Highly valued color-splashed posters of Mary Pickford as "Mistress Nell" and of Douglas Fairbanks are among academy collectors' favorites.

And movie trivia buffs, librarians point out, impress each other with data on former First Lady Pat Nixon's abbreviated career as a studio "extra" in the 1930s, lists of ex-California Gov. Ronald Reagan's "western" credits, and Allied Artists' early production days under the name of Monogram Pictures.

Then there's Academy Award winner Reginald Truscott-Jones who starred in "Lost Weekend" under the assumed name of Ray Milland. And Big, blustering Marion Morrison who few would dare call anything other than "Duke" or John Wayne.

The new facilities of the Academy of Motion Picture Arts and Sciences will benefit filmgoers throughout the country. Therefore, I urge my colleagues to share my enthusiasm and join with me in acknowledging the academy's valuable contributions to the motion picture industry, and recognizing that this new building represents a continuation of its many services to its members, the motion picture community and the public at large.

SAVE THE (POST) MARK

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. PICKLE. Mr. Speaker, times change and with them certain attitudes.

I realize that as we become more and more urbanized, fewer and fewer people can identify with the folklore and romance of the small rural post office.

But that romance and folklore still live and many of us still have a soft spot in our hearts for the community post office.

Many of us fear the demise of these institutions because of the tight-fisted money management policy that sometimes seems to permeate the Postal Service Corporation.

Winston Bode is a respected print and media journalist in central Texas and indeed the United States. Recently, his newspaper column caught the essence of what many of us feel about our post offices. His column features an interview with Mr. Max Noe, an individual who has served the public faithfully for 39 years. Max Noe is the kind of postal employee that brings human kindness to an incredibly massive job.

This column appeared in the Hill Country News on December 4, 1975, in Mr. Bode's "Capital Talk" column.

The article follows:

SAVE THE (POST) MARK

One of the nightmares of Big Government has been its messing with the U.S. post office. It was one of the ironies of the Nixon Administration that it pitched appeals to America's heartlands, and at the same time set up machinery to kill the shade tree community post office.

The aim of the postal reorganization act of 1970, for which we can thank both Democrats and Republicans, was to make postal revenues and expenses match by 1984. The old Post Office Department was abolished and replaced by a quasi-governmental agency that could float its own bonds. No longer did Congress appropriate all postal money for operating expenses, with the revenue flowing back into the U.S. Treasury.

The new U.S. Postal Service was designed along corporate lines to be a paying proposition. U.S. citizens became customers to the post office.

Consolidation and regionalization became the order of the day. For the sake of efficiency, whole bunches of towns were lumped together in "sectional centers." The post mark of an individual city became a thing of the past. It was the beginning of the period in which if you mailed a letter to your lawyer downtown, it went into bureaucratic orbit and circled the county for about three days by truck.

We do not want you to think depersonalized mass-production techniques are coming to an end at the post office. But postal veteran Max Noe, who was ending an interim postmastership in Austin the day we talked to him, and who has 39 years of service in the U.S. mails business, says there is a ray of hope.

"I think they've about decided they made a mistake," said Noe. "I believe they've decided we are a service, not a business."

Specifically, he was referring to an alarm spreading through the land that the community post office had to go.

No more pulling up to the store, at Hye, Texas—if you lived in the Hill Country—and parking your pick-up truck full of feed while you went in and got your mail, then chatted with the front porch crowd about how much damage the hail had done to the peaches and oats.

"There ain't no way we're in one fell swoop gonna close 12,000 post offices—that is, all the fourth class offices and a few third class ones," said Noe, talking about news reports of some phase outs of little community post offices.

"Now, it's easy for me to say, 'Spicewood, Texas, don't you worry,' but I am not per-

sonally alarmed that we are going to have mass shut-downs. The post office won't shut down an installation just because it isn't paying its own way. A community post office doesn't pay for itself. But before we'll shut one down we have to be sure certain guidelines are adhered to. For one thing, we've got to think of the postmaster. What do we do with a postmaster if he's had 25 years of service? We can't just let him go. There's got to be a vacancy in that job.

"Also, we have a policy of not closing down a post office unless there are fewer than 25 customers. We can consider it if the government can't find a suitable place in the community—if the owner where there's a post office wants to turn a grocery store into an antique shop.

"And if we shut down a post office, we must be able to provide equal or better service to the customers, say, through a rural route. After all, there's a floating post office that goes right by their door."

Noe said another condition for closing a community service is that a postal facility must be available to the customers within six to 10 miles from the community.

"If all these conditions are met, then we'll think about shutting down a third or fourth class post office," said Noe. "But you can see we've got some pretty tight guidelines to follow—almost too tight."

What did he mean?

"We have one post office that serves 11 customers. And they all drive into a town every day that's six miles away. It costs us four or five thousand dollars a year to keep that post office open."

But Noe agreed there are political and emotional angles to consider against fiscal management standards in the post office business.

"People who are born and raised in a small community—when they lose their post mark, they lose their identity," he said.

It is true most "Bug Tussle" type post marks are disappearing.

"But we are backing off from having no geographic post mark," Noe said. "We are returning to the regional mail processing center post mark."

Which, in the days of agri-business, corporate farming and televised bank tellers, is something. 1984 isn't here yet.

THE INFORMATION CHALLENGE: WILL CONGRESS BECOME OBSOLETE?

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. PHILLIP BURTON. Mr. Speaker, certainly one of the most critical issues facing the Congress today is our need for information about the wide range of matters that affect our ability to legislate effectively and promptly to meet our Nation's needs.

The importance of having information available to us expeditiously and accurately is highlighted in this most important address by the Honorable CHARLES ROSE of North Carolina, chairman of the Ad Hoc Computer Subcommittee of the Committee on House Administration.

I hope my colleagues will read with care his recent address before the Government/Industry Conference of the American Institute of Industrial Engineers, held at the International Inn in Washington, D.C., on December 3, 1975.

The article follows:

THE INFORMATION CHALLENGE: WILL CONGRESS BECOME OBSOLETE?

(By Charles G. Rose III)

Good afternoon and thank you for inviting me to be your luncheon speaker today. I see some familiar faces from my visit with you last June, and it is good to be back with you today.

We who are connected with computer operations frequently get credit for the wonderful efficiency computers have brought to our departments and agencies and other units of government. Of course, we also get blamed when a keypunch operator makes an error and a program goes askew. But hopefully none of you have a problem like the one I read about recently in a classified advertisement in the Saturday Review. Here it is:

"Computer error has resulted in 600,000 Declaration of Independence medallions with likeness of King George instead of Thomas Jefferson. Would like to dispose of entire lot quietly. Write Box T.J."

Well, that's a mistake in keeping with the Revolutionary spirit of the Bicentennial, but I'm sure that neither King George nor Thomas Jefferson would have envisioned the electronic revolution that is taking place in our Governmental affairs today.

Even in the Congress—supposedly the last bastion of resistance to change—that spirit prevails, because we are finally realizing that we have to mobilize information sources to our advantage.

For if we fail, the question of Congress becoming obsolete will not be merely an academic one.

Harlan Cleveland of the Aspen Institute at Princeton says that in America we have taken our eye off the ball. The sense of destiny and the sense of mission which have been common American feelings for 200 years, have become weakened. Political assassinations, Vietnam, Watergate, the inability to feel safe on familiar streets, the sudden shrinkage of the American dollar, disclosures of international intrigue, the impairment of our environment because of our industrial growth, unemployment and inflation, the shortage of fuel, the uncertainty of global politics—each might have led to self doubt. Coming together as they have in recent years, these events have produced a feeling that the strength of American power cannot even protect us at home.

If we accept the premise that we have taken our eye off the ball, the next question is: Who shall refocus our sense of direction?

I have no doubt that someone or something will come along to point the way. But if we are to continue to have a democratic form of government, the Congress must play a leading role in the process. I don't think I am being over dramatic in saying that the future of our democracy rides with the response we can produce. So let us ask, how can we refocus our sense of direction?

The Declaration of Independence states the justification for governments: "to secure these rights" of Life, Liberty, and the Pursuit of Happiness.

While our Founding Fathers did not spell out precise rules, we can try to set certain priorities. Mr. Cleveland suggests four priorities which I find illuminating.

First, we need a sense of welfare, a belief that we have at least the minimum standard in material living. We need to have what our society thinks of as enough.

Second, we need a sense of equity, a feeling that we are being treated fairly, with justice, as compared to others in similar situations.

Third, we need a sense of achievement and a belief that the group to which we belong is making progress and moving toward mutually decided on goals.

And, finally, we need a sense of participation and the belief that we can help decide

what our goals are. We need to feel that we can influence the basic decisions that affect our lives and on which our welfare, equity and achievement depend.

Now, Congress is like a human being. It has limbs and organs, attitudes and prejudices, feelings and needs. As a body it, too, requires a sense of welfare, equity, achievement and participation. And our inability to function smoothly may be indicative of the fact that Congress has taken its eye off the ball. But, in terms of the information challenge, we are only just beginning to define what that ball looks like.

A SENSE OF WELFARE

Let's look at that first basic need of a human being—a sense of welfare, a belief that one has enough.

In the Congress, as many of you know, we are lagging far behind the Executive Branch in the use of computer technology. Currently, we have only 7 operational computer systems on Capitol Hill, while the Executive Branch has over 7,000.

Seven thousand to seven is a sizeable gap, not to be filled immediately—and maybe not at all. How many systems are "enough" for the Congress to feel a sense of welfare?

We already have an Electronic Voting System for use in Congressional votes. This has saved valuable time, insured accuracy, and won unanimous approval from the users. Our Bill Status Office tracks every legislative action in the House and Senate and provides short cuts for staff investigators unheard of before the 93rd Congress.

The Library of Congress has 5 databases on-line with a 6th to be added soon, and the House Administration Committee has recently authorized Members to allocate \$1,000 a month for computer services. Commercial databases can be rented and a tie-up with the Library of Congress system is free.

How much is enough? Adding 6,993 computer systems to the Congress will make us equal to the Executive Branch, but will it make us more efficient? I doubt it. Besides, random additions of new technologies doesn't insure anything but wholesale rejection. What we need to consider is not *how many* systems, but *which* systems.

A SENSE OF EQUITY

The second basic need of Congress is a sense of equity—a belief that we are being treated fairly and with justice.

Of course, the question of justice can be a relative one, but we can assume that Congress wants *not* to be measured by some universal standard, but to be compared with other government branches.

We would like a sense of equity when dealing with the Federal Budget. In the past, the Executive has written the budget, altered functional categories, sent the package to the Congress, lobbied for sections it thought important and waited for a reaction, all the while further confusing us and those we represent with impoundments, rescissions, and deferrals.

The Congress, when it receives the Budget document, divides it up among various subcommittees. When these groups report to the full Congress, we usually accept their recommendations. In most of our actions, we are looking at the trees and not the forest. And all too often the whole does not equal the sum of the parts. It is not a very efficient way to evaluate how our tax money will be spent or how we determine priorities.

In a search for a sense of equity, we are looking toward several new alternative operating methods. One is our new Budget Committee, which is blowing the whistle when we tend to increase some favored program by ignoring the consequences of the effect on the entire budget. Its members are making us look at the forest. And we are asking the Executive Branch to be fairer with us in terms of information turnover and relevant background information.

We are feeling stronger in our investigative abilities thanks to improved information, and we are accepting our strength as it relates to committee reports and the power of approval. We are asking the Executive Branch and the CIA and big labor and agribusiness to listen to what we say. We demand a listening ear and a tolerant reception of our ideas. Veto after veto seems unjust to most of us. We represent the people of this country, and we want to be heard.

A SENSE OF ACHIEVEMENT

Our third basic need is a sense of achievement, a belief that the direction in which we are going has purpose and that meaningful progress is being made. Cries about a do-nothing Congress and the impotence of the legislative branch have hurt our ego. Remember, I said that the Congress is like a human being, and we have feelings, too.

In an attempt to curb the sense of budgetary inequity, the Congressional Budget and Impoundment Act of 1974 was passed to establish the Congressional Budget Office. Dr. Alice Rivlin is director of the CBO and she and her staff are utilizing several econometric models as well as other fiscal, budgetary, and program-related data systems. In addition, a 5 year projection must accompany each proposed expenditure. For the first time, the Congress will have the ability to consider the Federal Budget independently of the Executive Branch, and we can set our own budget priorities within a coherent whole.

In an attempt to add foresight to the Congressional mind, we have also outlined several goals. Our sense of achievement is approaching as we proceed in a general direction toward them.

We envision a "situation room" for the Congress accessible to House Members and Senators in which graphs and charts and computer terminals would be available for instant examinations of federal revenues—where they were going and where they were coming from—every single day.

We want the Executive Branch to send us the budget in better machine-readable format so that we do not have to spend months reprogramming it for the various committees.

We want to have the same banks of information available to us that the Executive Branch has. They use consultants from all over the world; they talk with business leaders about future trends and future projections. They confer with scientists and economists so that they can predict changes in the international scene. Our sense of failure has been due to our lack of knowledge. We lurch from crisis to crisis, frequently reacting instead of acting. We want to change that. We want to feel that we in the Congress have an understanding of, an anticipation for, impending crises. And we want the knowledge inherent in the information related to those problems.

In early September, Senator John Culver and I sponsored the first Congressional Seminar on the Future. Alvin Toffler and members of a citizen committee called the Ad Hoc Committee for Anticipatory Democracy spoke to us in a day of exploratory sessions about futurist technology and long-range planning.

We were reminded that we need to spend some time looking at what our goals for the country are, that there are experts in every field all over the country who would like to help us.

Dr. Jay Forrester of M.I.T. was on the Hill in late September talking about his model of the American socio-economic system. The possibilities of his research are astounding, and would be most useful to the Congress.

If we could make a trial run of some of our proposed legislation in the model and learn its potential effect without spending huge sums of money and perhaps wasting valuable time, we would be far along in our ability to govern with integrity these United States.

We do not want to be thought of as a do-nothing Congress. We need a sense of achievement. The record will show that we have been one of the most active in many years. And in several informational areas, we believe that we are moving forward, making progress and directing our energies toward a meaningful goal.

A SENSE OF PARTICIPATION

Finally, our fourth priority is a sense of participation. We want to believe that we are influential in the decisions that are made. We want to feel that we have some control over our destiny. We want to restore our sense of mission.

And this we cannot do alone. We are dependent on the President, on the Supreme Court, on big and small business, on our constituents at home. The major issues need to be expressed with some clarity; the national goals should be stated with our help; the country's direction should have our input. We are the voice of the people. Their voices should be heard through ours.

Seven thousand new computer systems will not satisfy this basic need. Information will not solve the problem of apathy. If we are to keep our eyes on the ball, we must be allowed to play the game. And part of that game will involve making the rules.

I will admit that the electronic game is a new one, that times are hard, that change is rapid and we are threatened with obsolescence. But I believe the Congress will survive, can survive, must survive because it is our only truly representative branch of government. And the fulfillment of its basic needs will be directly related to the fulfillment of our national needs.

A NEW DRUG CRISIS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. RODINO. Mr. Speaker, for several months I have been deeply concerned by the inadequacy of the Federal response to the rapid increase in the availability of hard drugs on the streets of our cities.

My original concern stemmed from the decision of the Turkish Government to reinstate the cultivation of opium poppies, and my serious reservations that the Turkish Government had the capacity or desire to prevent the diversion of these opium poppies into illicit channels.

That situation, coupled with the increasing flow of brown heroin from Mexico to this country, has produced a drug crisis which far exceeds that which was experienced by this country in the early 1970's.

This morning's New York Times described the illegal narcotics traffic as the "worst here in 5 years" and the article cites the belief of many drug experts that the "Turkish-French connection is back in business in Europe, and that the crop will show up here this winter."

In October of this year the President's Domestic Council issued its White Paper on Drug Abuse, which included a number of thoughtful recommendations to alleviate the drug problem. I am hopeful that the administration's review of this document will soon be completed and that the President will personally assume

the responsibility of developing a coordinated, coherent, and effective Federal drug policy.

I wish to insert into the RECORD at this point a copy of the New York Times article, and I am hopeful that my colleagues take the time to review the grave situation described in this article:

ILLEGAL NARCOTICS TRAFFIC IS WORST HERE IN 5 YEARS; MORE HEROIN AND COCAINE ARE REACHING CITY THAN AT ANY TIME SINCE 1960'S—OPEN STREET SALES COMMON

(By Selywyn Raab)

New York is experiencing its worst illegal narcotics trafficking in five years, according to high law enforcement officials.

Narcotics investigators believe that not since the late 1960's have such large supplies of heroin and cocaine been smuggled into the city by drug dealers. Moreover, these investigators say that open street sales are a common sight in Harlem and the East Village.

In addition, heroin overdose deaths apparently are rising this year—a grim sign that the addict population may be increasing.

Among the factors in the increase in narcotics trafficking here, law-enforcement officials say, are the recent emergence of major black and Hispanic narcotics rings and cutbacks in the Police Narcotics Division here.

"It's wide open again," said Sterling Johnson, the city's special narcotics prosecutor. "We've got more heroin than ever before. The quality has increased and the price has stabilized. From the reports I get, it looks like we're right back where we were in the late 1960's."

A Federal drug enforcement official, Michael J. Costello, agrees that heroin and cocaine problems in the metropolitan area are "escalating."

"We had a leveling off around 1973 and it appeared that the action was down compared with the peak years of 1969 and 1970, but it is starting to climb again," said Mr. Costello, deputy chief of intelligence for the New York office of the Drug Enforcement Administration.

In Harlem, Gregory Hutchins, a narcotics rehabilitation worker, said: "I've never seen it the way it is now. Walk up Eighth Avenue and you can hear the pushers calling out brand names."

An investigation of the current drug situation here by The New York Times has found that during the last year the following major changes have occurred:

Control of the illicit narcotics trade has shifted significantly from the hands of the Mafia, to new black and Hispanic importers and dealers. The Mafia still retains a sizeable, if reduced, role in drug trafficking. City police and Federal agents believe that the old bosses could make a comeback with the resumption this year of opium cultivation in Turkey.

One example of the expanding black underworld influence in narcotics trafficking is the reported establishment of a group of Harlem-based drug dealers, known as the Council of 12. Few details are known about this group, which was reportedly organized to oversee the heroin business in Upper Manhattan.

Black and Hispanic importers and distributors nudged the Mafia out of its dominant position partly because of their success in establishing ties with Mexican and Asian heroin suppliers following the Turkish Government's ban on opium growing in 1973. The Hispanic dealers also are deeply involved in cocaine trafficking from Latin America.

Dismissals and realignment of personnel in the Police Department's Narcotics Division have led to a 20 percent decline in narcotics arrests this year by that unit. Consequently

there has been reduced pressure on narcotics operators at all levels.

Police officials project more than 1,000 overdose deaths this year from various drugs—the highest total since 1969. This steep rise may be attributed partly to an increase in addicts and partly to the availability of stronger heroin.

OPTIMISM MISPLACED

Only two years ago many drug-enforcement officials believed that New York's narcotics problems, especially heroin addiction, were waning. The optimism was based on Turkey's decision to ban the growing of opium poppies, which are the source of heroin; the convictions of several important Mafia narcotics figures, and the growth of narcotics rehabilitation programs.

In 1973, although there was a large but undetermined number of drug abusers, wide-open street sales had become rare and heroin supplies appeared to be drying up.

Officials said that the situation began to change last year when black and Hispanic dealers, who had previously relied on the Mafia for their supplies, organized their own heroin networks from Mexico and the Golden Triangle in Asia, Thailand, Burma and Laos.

From laboratory analysis of narcotics seizures here, the police have determined that about 65 percent of the heroin now sold in the city is from Mexico and 35 percent from Asia.

According to Federal sources, some black dealers are purchasing large quantities of heroin in individual deals involving hundreds of thousands of dollars in Asia and Mexico. Some black drug organizations supervise the entire distribution process, from smuggling to "milling" or the packaging of heroin, and the final street sales. Federal investigators say.

The police and Federal intelligence reports indicate that the black and Hispanic operators pushed aside the Mafia without any bloody gang wars.

OLD DONS JAILED

"The old dons like Vincent Papa were going off to jail in the early 1970's and at the same time the Turkish-French connection was cut off," one Federal agent explained.

"The younger Mafia guys have a lot of other good things going for them and, right now, they don't seem interested in narcotics or narcotics wars. They can sit back and wait for the Turkish crop. They know the ropes in Europe and they can always get back in it they want to."

During the last two years, Federal agents discovered that Hispanic drug dealers, especially Cubans, had succeeded in establishing ties with Mexican heroin suppliers. The illegal cultivation of opium increased in Mexico following the Turkish Government's restrictions on the legal farming of that crop.

"It was easier for the Hispanics than the Mafia to open up the Mexican market," one Drug Enforcement Administration official said. "They had the language and cultural ability to gain the confidence of the Mexicans. The Hispanic dealers in this area are not as experienced or as well organized in heroin as the blacks or the Mafia. But it certainly looks like they want a piece of the pie."

On the streets today, addicts have made the "brown" Mexican heroin a sought-after product. It has gained a reputation among users for being stronger than white Asian or Turkish heroin.

Recent confiscations in the East Village of "Mexican brown" packages prepared for street sales found heroin contents of 30 percent, an unusually potent level. Most of the Asian white heroin sold elsewhere in the city normally has a drug content of about 5 percent or lower, according to police laboratory tests, with the remainder consisting of milk powder, quinine or other dilutants.

HIGH HEROIN CONTENT

The heroin level has been known to fall below 2 percent of the total two-grain (0.0046 of an ounce) "bag" or package used by the typical addict.

Police officials are uncertain why the Mexican heroin is being marketed with such a high heroin content, since a higher level of the drug in a typical \$8 "bag" means a lower profit for wholesale distributors.

"It might be inexperience among new dealers," said Arthur C. Grubert, intelligence chief in New York for the Drug-Enforcement Administration. "Nobody gives it away for free."

In Harlem, the recent growth of black narcotics rings reportedly was a major factor behind the formation of the so-called Council of 12. Law-enforcement officials believe that it was organized to regulate drug trafficking and to prevent violence among competing groups.

Intelligence experts also have been told by informers that the council was set up to punish "cowboys," or outsiders, who attempt to rob or kidnap members of existing narcotics groups.

According to these intelligence reports, the council's organizational meeting was held last year in the Gold Lounge, a since-renamed restaurant on Seventh Avenue near 123d Street.

ITALIANS ARE EMULATED

"The council seems to be trying to emulate the Italians in the way of settling matters," one high-ranking Federal official said. "But there is no finely structured organizational plan with chiefs, lieutenants and soldiers, like the Mafia."

"We don't believe that they were set up to fight whites for territory," the official continued. "We think they wanted a game plan to avoid violence among themselves. They don't want any cheating on narcotics deals and they don't want payoffs in counterfeit money, something that has happened. It's a group that sets the rules and that can punish anyone who disobeys."

The police and Federal intelligence agents said they were uncertain of the full membership of the council. But, law-enforcement authorities said they believed that the council's ranks consisted of six major drug dealers. They are Leroy Barnes; Robert Stepeney; Steven Monsanto; Frank Lucas; James Lofton and Stanley Morgan.

Four other dealers who may have gained membership are: James Hughley; Jasper Crossland; Joseph Osborne and William Mathis.

All 10 have been arrested on various charges but none has been convicted of a major narcotics charge. Police officials say that it is difficult to obtain indictments against major dealers because they make illegal business arrangements only with their most trusted lieutenants, and almost never personally handle major narcotics transactions.

In the face of this narcotics upsurge, felony arrests by the Police Department's narcotics division have dropped this year by 20 percent.

Last summer when four low-level dealers were shot to death in Harlem, there were reports of an impending struggle for power among rival heroin networks. Many in police intelligence believe, however, that the victims were killed because they were suspected of being police informers or because they had spoiled heroin supplies through improper handling.

Murders among "pushers" and customers also is common, detectives said.

1,324 ARRESTS MADE

In the first nine months of this year the division made 1,324 arrests compared with 1,663 for the same period last year. The decrease was mainly a result of personnel cuts

brought about by the city's fiscal crisis, according to Deputy Chief Joseph A. Preiss, commander of the Narcotics Division.

The division, which is mainly responsible for the Police Department's major narcotics investigations, has been trimmed to 312 officers from 450 last June. Many of those dismissed were blacks and Puerto Ricans who were considered among the most effective at infiltrating the newly organized illegal drug rings.

"Losing these undercover people has hurt us bad," said Lieut. Stephen Herrer, a narcotics commander in Harlem. "The dealers know what's going on. They read about what's going on. They read about police work the way other people read the stock market."

The personnel cuts also have compelled the police to curtail operations against small-level street sellers, called "pushers," or "scramblers."

"With fewer men we can't apply as much pressure as we did in the past on the streets," said Chief Preiss. "Containment is all you can hope for."

Police Commissioner Michael J. Codd held out little hope that the narcotics division would be reinforced. Commissioner Codd said that the first priority in personnel would be the uniformed patrol force.

In evaluating the extent of the current drug abuse problems, analysts in the Police Department's narcotics division said that about five tons, or 4,500 kilos, of heroin probably will be smuggled into the city this year. These analysts said the wholesale value or price paid by the large dealers would be about \$225 million. Eventually, when this heroin is cut and sold on the streets it will bring in \$2.5 billion to \$3 billion.

VOLUME IS ELUSIVE

While trafficking in cocaine also is extensive, the narcotics analysts said they were unable to estimate the gross volume of that illegal business.

There are no accurate figures available for the number of heroin addicts or other drug abusers in the city. The police and other experts believe that the drug abuser population here ranges from 100,000 to 250,000.

These abusers include those who illegally use methadone, a synthetic narcotic, or other drugs that can cause overdose deaths. But, because of the large-scale involvement of organized crime in heroin and cocaine, the police have given priority to those investigations.

The Drug Enforcement Administration and the Narcotics Division consider Harlem the focal point for the distribution of heroin to middle and small level dealers from other sections of the city and the suburbs.

The East Village is another neighborhood where undercover surveillance has pinpointed "buys" by dealers from the suburbs and other states.

Almost all narcotics law enforcement officials are concerned about the potential impact of heroin from Turkey where the first opium crop in three years was harvested this summer.

So far, there is no evidence that any new Turkish heroin has reached the United States. Most drug experts, however, believe that the Turkish-French connection is back in business in Europe, and that the crop will show up here this winter.

Mr. Grubert said a heroin watch was under way in Western European cities for early signs that the Turkish product was once more on the illegal market.

"Places like Amsterdam and Brussels are the bellwethers on the availability of Turkish heroin," the Drug Enforcement Administration official said. "It hasn't reached those cities yet, which means we might still have a couple months of grace."

Mr. Johnson, the city's special narcotics prosecutor, warned that the Turkish heroin

probably would be more potent than the present supplies because of the better processing at illegal laboratories in France and Western Europe. The European laboratories, according to the police, can provide as much as 90 percent heroin purity in processing opium poppies. Mexican and Asian laboratories normally obtain no more than 50 percent purity.

The higher purity permits dealers to increase their sales and profits through the packaging of more "bags."

"Believe me that Turkish heroin will soon show up here. It has nowhere else to go," Mr. Johnson said. "And we are in for even worse times with the possibility of greater supplies and more overdose deaths."

"Unfortunately, the Turkish package has always been much better. In the heroin business, the Mexicans are the short-order cooks. The French are the chefs," he added.

HEROIN PROFITS MULTIPLY

How much money is there in New York's illegal heroin business?

From purchases of illegal drugs and intelligence gleaned through undercover investigations, analysts in the Police Department's narcotics division have devised a formula for estimating the profit in narcotics.

The wholesale price of one kilo (2.2 pounds) of heroin, depending upon its purity, can range from \$40,000 to \$70,000. If the kilo is 50 percent pure, it can be diluted or "cut" into 76,000 packages or "bags." These two-grain (0.0046 of an ounce) "nickel" or "dime bags," the kind most typically sold to addicts, cost about \$8 each.

Thus, the street sales from one kilo probably will generate more than \$600,000—or a profit for the various dealers, from wholesalers to street pushers, of more than \$500,000.

The profit in cocaine is more difficult to estimate. The price of a kilo, again depending upon its purity, can range from \$30,000 to \$40,000 at the wholesale level. On the street, prices are known to vary more widely than heroin. The latest undercover "buys" indicate that the price of a "spoon," or one ounce of cocaine, can vary from \$1,000 to \$2,000.

Smaller sales are made in packages called "tins" because they are wrapped in aluminum foil. These "tins" of three or four grains cost \$20 to \$30.

The police analysts believe that the packaging and selling of heroin and cocaine requires a work force of at least 20,000 people.

HOUSING MUDDLE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. HARRINGTON. Mr. Speaker, I wish to bring a recent New York Times editorial to the attention of my colleagues. In the editorial, which appeared in the November 23 edition of the Times, considerable attention is devoted to the inadequacies of the administration and HUD in responding to the crisis now enveloping the housing industry.

Although provisions are included in the Community and Development and Housing Act of 1974 for Federal subsidies which would enable as 27 million families to reside in safe, decent housing, to date, only 200 families have benefited. The section 8 program, which was allegedly designed to provide incentives for private

developers to assume a greater share of responsibility in the task of housing low and moderate income families, has simply not been successful.

The problem is that investors and financial institutions are uninterested because, in the present economy at least, they consider the program too risky.

Authority to insure State housing finance agency bonds; insurance which is essential if State governments are to assure the development role intended under the section 8 program has been authorized by Congress. The administration, however, has demonstrated a strong unwillingness to implement these needed programs.

As the editorial points out, HUD's failure to provide the vehicles necessary to produce adequate housing for low and moderate families, be it in the form of impoundment or lack of program implementation, is serving to take any residual sense of hope out of the equation for millions now living in substandard housing.

It is apparent that any further delay on HUD's part in implementing one or more of the various bond or mortgage guarantees programs at its disposal will ultimately halt the fragile efforts, now underway in States like Massachusetts, to stabilize the housing market. Seemingly it appears that while HUD undergoes repeated attempts to "get things going," the housing industry will be forced to wait.

The text of the article follows:

HOUSING MUDDLE

As if an inordinate share of the suffering from inflation and recession were not enough, America's ill-housed poor also have to put up with a housing policy that is being administered as if sleepwalkers were at the controls.

After recoiling in horror from the inadequacy of the efforts it found in place, this Administration developed a housing program which was designed to give incentive to private developers to take on a greater share of the task of providing housing for poor and moderate income families. The device—Federal supplements up to market value of the amounts poor and moderate-income families were able to pay for rental housing—was intended to spur private developers either to rehabilitate existing housing or to develop new low-income housing.

So far, the Administration's approach under the Community Development Act of 1974 has put fewer than 200 families into housing. The reasons are numerous. First, the supplement device has been insufficient incentive to private developers to seek expensive financing in the current money market. Second, state housing authorities—particularly those in the more populous states where housing needs are most acute—have found it difficult if not impossible to raise money to finance rehabilitation efforts and new developments in the current public bond market.

Looming behind the local problems and exacerbating most of them are the policies of the Department of Housing and Urban Development, which has been moving with glacier-like alacrity toward a scheme of Federal guarantees to help state housing agencies raise money for the program. As reluctant as H.U.D. seems to be about proffering assistance, its enthusiasm is boundless when compared to the attitude of Secretary of the Treasury Simon, who gives the impression that he believes that the quest for housing funds just should not be cluttering up the money markets at this critical juncture in the nation's economic history.

There is also the H.U.D. bureaucracy. H.U.D. Secretary Carla Hills admits that her department has failed to develop adequate data for policy formulation. Though the program was approved by Congress 15 months ago, "it will take a while to get going," one high official of H.U.D. recently said. "We bureaucrats tend to do things better the second time around."

While Mrs. Hills and her agency try to get the facts and themselves together, the country's housing stock continues to deteriorate.

WHITE HOUSE PROPOSES \$8 BILLION BONANZA FOR PRIVATE INTERESTS IN GUARANTEES FOR CONSTRUCTION AND OPERATION OF URANIUM ENRICHMENT PLANT

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the administration is moving forward with its plans for up to \$8 billion in guarantees to a big business consortium—plus a guaranteed profit of 15 percent—for construction and operation of a uranium enrichment plant to produce fuel for nuclear power plants.

In my view the Government in the public interest should approve expansion of Government-owned uranium enrichment facilities now under the direction of the Energy Research and Development Administration rather than handing this process and enormous profits to a big business consortium.

Two recent articles, in the Washington Star and the Wall Street Journal, shed considerable light on this entire matter.

The article in the Star reported that Mr. Robert C. Seamans, Jr., Administrator of ERDA, initially opposed construction of the new plant by private interests and advocated expansion of existing plants.

The article reported that according to congressional testimony, Seamans was overruled by the White House and instructed to begin negotiations with a group called Uranium Enrichment Associates, a consortium headed by Bechtel Corp. and backed primarily by foreign money.

The Wall Street Journal reported that Bechtel Corp. has hired a number of former high administration officials—including Caspar Weinberger, the former Secretary of Health, Education, and Welfare; George Shultz, the former Secretary of the Treasury, and Robert Hollingsworth, formerly General Manager of the AEC.

The Wall Street Journal adds that these officials deny they have any connection with this particular deal, but certainly their close connections with the administration are quite obvious. This newspaper quotes an ERDA official as saying that the Federal Government would be constructing the new enrichment plant now except for the Bechtel involvement.

The Star reported that Seamans has

explained that guarantees could run as high as \$8 billion and further that the plant's backers would be guaranteed a 15-percent return on their investment after taxes.

It is almost inconceivable that this administration, following the ripoff of the American people by the oil-coal monopoly, would even contemplate bringing in a big business consortium backed by foreign capital to control a large part of the production of fuel for nuclear powerplants, the power source of the future.

The Federal Government and the people of the United States have a tremendous investment in the existing uranium enrichment plants and in the process of converting raw uranium ore into fuel for powerplants.

I repeat, any further additions to uranium enrichment facilities should be built by the Federal Government in the public interest to protect the American people from a gouge in a profit-guarantee deal for big business and foreign money.

Because of the interest of my colleagues and the American people in this most important matter, I place the articles from the Star and Wall Street Journal in the RECORD herewith.

The articles follow:

[From the Washington Star]

FORD'S URANIUM POLICY QUESTIONED

(By John Flalka)

Robert C. Seamans Jr., head of the Federal Energy Research and Development Administration, admitted under questioning today that he initially opposed the policy being pressed by the Ford administration to allow a private company to build the nation's next uranium enrichment plant.

Seamans' objections, however, were overruled after heavy pressure was applied from the White House, and ERDA was ordered to negotiate with a group called Uranium Enrichment Associates, a consortium headed by the Bechtel Corp. and backed primarily by foreign money, according to testimony before the Joint Committee on Atomic Energy.

George F. Murphy, Jr., executive director of the committee, asked Seamans if it was true that the basic decision to negotiate the multi-billion dollar agreement with UEA came after a three-day meeting between Seamans, three Cabinet members and James T. Lynn, the head of the Office of Management and Budget. The meeting ended on May 30.

Murphy said Seamans repeatedly had expressed his objection to the proposal to President Ford and other officials before and after the meeting, insisting that the United States should continue to control uranium enrichment by building an addition to one of the three plants the government now operates to enrich or process uranium into the radioactive fuel for nuclear power plants.

Seamans said Murphy's description was "essentially correct." He added that he has changed his mind and now favors the principle of allowing private uranium enrichment. Referring to his prior opposition, Seamans said "That was eight months ago and a lot has happened since then."

Among the things that have happened, he explained, was the realization that ERDA may be forced to subsidize other elements of the nuclear fuel cycle, specifically the process of recycling plutonium from used fuel components into new ones. To do this and also pay \$2.8 billion for the addition to an enrichment facility would cause a heavy drain

on nuclear and other energy development programs, including the search for solar, wind and fusion energy.

Seamans explained that the White House felt it would be better to encourage a private company to provide the capital for the new plan and then back the enterprise with government guarantees and technological assistance.

Seamans said the guarantees now being considered by the government for UEA, and three smaller private proposals under study, could reach a maximum of an \$8 billion federal commitment if all the enterprises failed and the government was forced to then build its own facility after all.

He said that a six-page memorandum worked out between UEA, the White House and ERDA on May 30 has now been expanded to a 90-page draft contract. Among the guarantees that would be required of the federal government under the contract would be a warranty that the UEA plant would operate correctly, that the plant's backers would be guaranteed a 15 percent return on their investment after taxes, and that the UEA would be allowed to buy enriched uranium from government stockpiles to fulfill its fuel contracts if it experienced any delays in building the plant.

Seamans said that he was not satisfied with the draft agreement as it now stands and that he feels further negotiations should be aimed at getting UEA to assume more risks. He added that if an agreement is not reached by March the government will have to build a new facility or face the likelihood of a uranium fuel shortage by the mid 1980s.

The guarantees described by Seamans aroused strong objections from both Republican and Democratic members of the joint committee, which must approve the proposal.

The committee's chairman, John O. Pastore, D-R.I., said that the guarantees would amount to billions of dollars of government aid and that the committee would have to see the final version of the UEA contract before it could reach a decision. "If we're going to be partners in this thing we want to be there at the takeoff and not be left there standing alone at the landing," he said.

Sen. Stuart Symington, D-Mo., said that the overlapping guarantees amount to giving UEA "a fee to run it." He said the guarantee of a 15 percent return on capital "is an attack, in effect, on risk capitalism."

[From the Wall Street Journal, Nov. 20, 1975]
ENRICHING VENTURE: HOW FIRM GOT AHEAD
IN BILLION-DOLLAR RACE TO MAKE NUCLEAR
FUEL

(By Jonathan Kwitny)

OAK RIDGE, TENN.—From a mountain-top near here you can see, sprawled across the Clinch River Valley, what may be the largest industrial plant in the world. From this massive factory flows much of the nuclear fuel that runs atomic power stations throughout the non-Communist world.

The U.S. is going to need perhaps 12 more plants like this by the end of the century as the world comes to depend more and more on nuclear power for its electricity. The little-known story of how the government plans to promote what may be the largest commercial undertaking in history is one that could affect the cost of electricity for generations to come. It involves the determined efforts of one company, Uranium Enrichment Associates, to get into the business ahead of its competitors.

President Ford is proposing federal guarantees of up to \$8 billion to assure private industry that it won't take a loss on the building of new nuclear fuel plants. These guarantees would also enable industry to obtain financing for the plants.

At present, nuclear fuel production is a profitable government monopoly. The government carries out the complex process,

known as uranium enrichment, at its large Oak Ridge plant and at two smaller plants in Ohio and Kentucky, all of which were built in the years when Washington was building up its arsenal of nuclear weapons.

ONE-HUNDRED ACRES OF FACTORY

It's not hard to see why the expansion of nuclear fuel production is going to involve an investment of over \$60 billion. The Oak Ridge plant alone requires more than 1,500 machines, each the size of a boxcar, ranged across more than 100 acres of factory floor. It takes more than half-a-million dollars of electricity a day to power the machines. In cooling them, up to 90 million gallons of water are evaporated daily in huge clouds over the valley. To duplicate this plant today would cost \$6 billion.

Congress is being urged to act quickly to decide whether the government or industry should build the next U.S. enrichment plant in order to avoid the threat of a nuclear fuel shortage in the early 1980s. A new plant will take about eight years to build. If Congress approves the President's plan, then Uranium Enrichment Associates, or UEA, stands to gain immediately. It would be guaranteed against loss, and its profit potential would be immense because the Ford proposal wouldn't regulate the price that private industry could charge for nuclear fuel.

UEA is mainly the creation of Bechtel Corp., an engineering and construction firm that is one of the world's largest privately owned companies. Some of Bechtel's competitors suspect that the company's \$5.7 billion plan to build an enrichment plant and two generating stations is the result of unusually close relations with both the Ford and Nixon administrations. These competitors say Bechtel may have been aided in Washington by the former top government officials it has recently hired. Since last year it has hired two former cabinet members and the former general manager of the Atomic Energy Commission.

AN UNTESTED TECHNOLOGY

Bechtel (which in recent months has been joined in its UEA venture by Goodyear Tire & Rubber Co. and Williams Cos., a diversified pipeline concern) is the only company proposing to build a full-scale commercial enrichment plant using the same tried-and-true technology as is used at Oak Ridge, which, of course, dates back to the World War II atom bomb program.

Several other companies also are seeking to benefit from the proposed federal guarantees. These companies (among them Exxon Corp., Atlantic Richfield Co. and Signal Cos.) want to build smaller, billion-dollar plants using a potentially cheaper but still commercially untested technology.

But these companies are fearful that UEA is getting such a head start that it could dominate the government's resources and delay their new technology by years.

Even so, all of these companies stand on the brink of taking the lead in the creation of a new industry perhaps as large as the oil industry is today. Bertram Schwartz, senior vice president of Consolidated Edison, the New York utility, voices the feeling of some utilities that are fearful of private uranium enrichers pushing up the price of nuclear fuel and thus causing electricity prices to skyrocket. The industry, he says, will ultimately be monopolized by perhaps two giant fuel combines—"these monsters," he calls them.

A few congressional Democrats also are uneasy about helping to establish new industry fortunes. They may clash with a Republican administration that is wedded to the idea of putting future nuclear fuel production in the hands of private industry. In fact the government has been so anxious to attract industry that since 1971 it has been sharing its secret enrichment data with several U.S. companies.

It has also quietly shelved plans to do the job itself, according to Percy Brewington Jr., an official at the Energy Research and Development Administration (the new agency carved out of the AEC). Mr. Brewington says the shelved plans were drawn up by his staff and showed how the government could build an addition to its enrichment plant in Portsmouth, Ohio, costing \$2.1 billion, considerably less than the amount UEA is proposing to spend on a plant of roughly the same capacity.

The Joint Committee on Atomic Energy will begin public hearings on the Ford proposal on December 2. Its view could be influenced by a critical report just issued by the General Accounting Office, the investigative and accounting arm of Congress. The report not only cites the supposed benefits of the government's own building plans but says there is a "greater potential" for delay if private industry takes over.

The UEA proposal, the GAO says, "is not acceptable." Its "fundamental shortcoming," the report states, "is that it shifts most of the risks during construction and proving the plant can operate to the government." In reply, the administration says the GAO report "is not sufficiently complete, accurate or objective to sustain its conclusions."

UEA wants to build its multi-billion-dollar plant on 2,400 acres near Dothan, Ala. It would consist of a \$3.5 billion plant and two power stations, costing a total of \$2.2 billion, to provide electricity. Under the proposal, if UEA decides "in its opinion . . . for any reason" that "the project cannot reasonably be brought into commercial operation," the government will buy out UEA's domestic owners and pay off its domestic debt. In most cases, domestic owners would get not only their original investment back, but "additional compensation . . . to reflect the results achieved" to that point. The company says it will supply 15% of the capital for the enrichment plant and earn an after-tax profit on this equity, which the company agrees would amount to \$75 million to \$80 million a year.

President Ford's support of this proposal follows Bechtel's close relations with the government. In fact, claims one high ERDA official, "without Bechtel there wouldn't be any question of who was going to build these plants." It would clearly be a government undertaking, he says, and "we would be on our way to building them."

Quietly, on its own, Bechtel began surveying the nuclear industry for opportunities in 1967 (it has long been an engineer building utilities' nuclear power plants). But the foundation for UEA wasn't laid until 1972 when Ashton O'Donnell, a Bechtel nuclear specialist who formerly worked at the AEC, met in Tokyo with two officials from Union Carbide Corp. (which helps the government run its enrichment plants at Oak Ridge and Paducah, Ky.). Together with representatives of several Japanese utilities, they agreed to commit their companies to a \$6 million study of a new enrichment plant. Shortly afterwards, President Nixon and Prime Minister Tanaka of Japan signed an agreement for a similar study.

Bechtel denies it was working with the Nixon people and says the two agreements were a complete coincidence. But a high ERDA official and a spokesman for the Japanese utilities insist that Mr. Nixon and Mr. Tanaka were referring specifically to the Bechtel-Union Carbide study. And the fact remains that this study was the only one carried out.

The study made it clear that a private enrichment plant was going to require massive capital investment. Because there seemed little hope of obtaining financing in the billions of dollars, Union Carbide decided to drop out. (Westinghouse Electric Corp., which

also had joined UEA, decided to leave the partnership for the same reason.)

Bechtel was without partners, but not without some talented employees. In March 1974 it hired Robert Hollingsworth, general manager of the AEC, as its manager of manpower services. That May it hired George Shultz, the former Secretary of the Treasury, as executive vice president and a director (recently Mr. Schultz moved up to president). This year it hired Caspar Weinberger, the former Secretary of Health, Education and Welfare, as vice president, director and special counsel.

Bechtel says these new employees, even Mr. Shultz the president, have been forbidden any contact with the UEA project. But executives at other companies say they believe the ex-Washington officials may have been helpful in Bechtel's contacts with the Ford administration. (None of the competing executives would be quoted by name on the ground that their companies still are seeking to start enrichment projects with government aid.) Comments Edward J. Bauser, who until recently was executive director of Congress' Joint Committee on Atomic Energy: "When you want to go into the enrichment business, you know what has to be done. You have to buy pipes, you have to buy pumps and you have to buy people—key people."

This year government and company again demonstrated a similarity of thinking. On May 30, without any specific request from the government, UEA submitted a formal proposal for its enrichment plant. A few weeks later, on June 26, President Ford sent to Congress the Nuclear Fuel Assurance Act, whose provisions are similar to those sought in the UEA proposal.

The act would allow the government to spend up to \$3 billion in bailing out companies that run into problems on their enrichment ventures. In return, it would require companies to pay the government royalties (3% of sales for 17 years) for its enrichment technology.

In defense of the proposed guarantees, Mr. O'Donnell of UEA notes that at congressional hearings two years ago, numerous witnesses from the banking and financial communities said they wouldn't invest in a private enrichment plant without government guarantees.

Certainly UEA would appear to have adequate resources for its own 15% investment with the addition of the two new partners, Williams and Goodyear (which has much experience in enrichment as the operator of the government's Portsmouth nuclear fuel plant).

UEA also appears to have plenty of potential customers for the nuclear fuel from its proposed plant. The company says it has a "firm commitment" from foreign utilities to take 60% of the plant's output in return for supplying 60% of the capital (although some government officials are already questioning the wisdom of sending so much of the plant's output overseas).

A major problem for utilities trying to calculate future costs is that a new technology is in the offing that could conceivably hold down the expected rise in nuclear fuel prices. This technology is called the gas centrifuge and its promise lies in the fact that it uses one-tenth of the electricity required by the older technology, which is known as gaseous diffusion. The new technique also doesn't need the mammoth plant required by gaseous diffusion but can produce nuclear fuel in fairly small plants which can be expanded as demand increases. Thus the initial capital investment is much lower.

Both the centrifuge and gaseous diffusion turn uranium into nuclear fuel by "concentrating" scarce atoms in the ore. In its natural state uranium contains about 0.7% of atoms called uranium-235 (most of the rest

is uranium-238 atoms). To sustain a nuclear chain reaction in the so-called light-water reactor (the most common type in use in the non-Communist world) uranium fuel containing about 3% of uranium-235 atoms is needed.

Gaseous diffusion "collects" these rare atoms by pumping and repumping the uranium in gaseous form through miles of porous tubing through which the unwanted uranium-238 atoms are gradually "filtered" off. On the other hand, the centrifuge is a cylinder, about the size of a washing machine, in which the gaseous uranium is whirled around at immensely high speeds. The lighter 235 atoms remain on the inside of the cylinder and the heavier 238 atoms drift to the outside.

But the centrifuge, while at an advanced stage of development, has never been put to work on a commercial scale. A demonstration plant has been built in Europe. The U.S. government's first experimental plant hasn't started up yet, although ERDA says it has been testing the apparatus successfully for several years.

Last month three companies proposed building commercial centrifuge plants. If Congress approves, they also would get government guarantees.

They are Centar (a partnership of Electro-Nuclear Inc. and Atlantic Richfield) which wants to build a \$1.1 billion centrifuge plant; Garrett Corp. (a subsidiary of Signal) which proposes a \$900 million plant; and Exxon's Exxon Nuclear subsidiary, which wants to build one for \$700 million. However, Centar claims that with the addition of various contingencies, all of the plants will cost about the same and all would produce about one-third of the output of the proposed UEA plant.

A major fear that dominates the thinking of executives at Centar and Exxon is that if UEA is allowed too much of a head start, their own plans may be delayed. Their suspicions that the government already has decided to emphasize diffusion development to the disadvantage of the new centrifuge technique have been aroused by two incidents.

The Nixon-Tanaka enrichment agreement authorized the study only of diffusion technology. And in proposing the Nuclear Fuel Assurance Act, President Ford specifically asked for authority for ERDA to contract immediately with "private groups interested in building, owning and operating" a diffusion plant. The centrifuge people were asked separately by ERDA to submit their proposals for plants this fall. In fact ERDA began negotiating with UEA almost at once, and an agreement is nearly ready for signing as soon as Congress acts. The centrifuge proposals have been referred to a committee at ERDA which is scheduled to report at the end of the year.

(As with the diffusion process, Oak Ridge engineers say the government has shelved plans drawn up by ERDA to build a centrifuge plant. It would cost \$2.6 billion and have roughly the same output as UEA's much costlier diffusion plant. And, of course, it would have roughly three times the output of each of the private centrifuge plants.)

In reply to all of these suspicions, ERDA official Richard Roberts maintains that "centrifuge technology isn't really there yet." And he says, "the thought was, you really couldn't go completely centrifuge and be sure of having fuel ready when it's needed."

Because the Ford proposal doesn't limit the prices that companies could charge for their nuclear fuel, there is evidence that private-enterprise fuel would be more expensive than government-made fuel. "It would seem almost certain that the cost for the private option would be higher than (for) the government option," says Abraham Gerber, who has studied enrichment for Na-

tional Economic Research Associates, a consulting firm. He claims that "the government can do anything at a lower cost than private industry. You start off with an element of faith (because) you don't want everything concentrated in government hands."

How much Americans would be willing to pay for that element of faith could be important. Of the prospective builders of new enrichment plants, including ERDA, only Centar has offered a specific price comparison. Centar says that its proposed centrifuge plant would charge \$70.12 for a so-called unit of enrichment work (in 1975 dollars), but concedes that a government-owned centrifuge plant would be in the black by charging only \$56.22 a unit (75,000 units will fuel a typical one million-kilowatt nuclear station for a year). ERDA is in the process of raising its present fuel prices to between \$53 and \$61 a unit, depending on the type of contracts. (This contrasts with the \$85-a-unit price, in 1975 dollars, that UEA estimates it will charge.)

Some analysts, such as Mr. Bauser, the former joint committee director, see the cost of nuclear fuel from privately owned plants soaring to several hundreds of dollars a unit until it reaches the much higher price of coal and oil. The higher price would, of course, mean a sharp jump in electricity rates (at present, the enrichment of nuclear fuel accounts for only 10% to 15% of the price the consumer pays for electricity). According to figures from a respected industry group, nuclear generating plants pay 0.2 mills for fuel for every kilowatt hour of electricity produced, while non-nuclear generating plants (coal, gas and oil) must pay 7.5 mills for fuel for every kilowatt hour.

Nor will those utilities that already have signed up to buy government-produced fuel be likely to escape the predicted higher prices. President Ford's proposal would require ERDA to raise its fuel prices for nearly all of these existing customers simply to encourage private companies to get into the business. And congressional and administration authorities agree that when the first private plant goes into operation, ERDA would be required to raise its fuel prices so as not to undersell the private enrichers.

WALTER KNOTT—A PERFECT CITIZEN

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. ROUSSELOT. Mr. Speaker, Patrick Henry said,

Perfect freedom is as necessary to the health and vigor of commerce as it is to the health and vigor of citizenship.

Today I want to pay tribute to one of America's perfect citizens—Mr. Walter Knott. Many of my colleagues know of Walter's contributions in deeds and educational efforts to enlighten the people of our country about our form of freedom. Walter Knott has been generous in his desire to improve the understanding of our American free market and constitutional system.

When Governor Reagan introduced Walter Knott as the recipient of the 1968 Free Enterprise Man of the Year Award in 1968, he called him California's and America's Great Pioneer/Patriot. I could not agree more.

I commend to my colleagues the fol-

lowing excerpts from a book entitled, "Walter Knott: Twentieth Century Pioneer," by Norman Nygaard, which exemplifies the character and guiding principles of this outstanding American.

The article follows:

LET FREEDOM RING

The vast majority of good American citizens who feel strongly about conditions in national, state, and local government which they regard as inimical to the welfare of the country, have an unfailing answer for all problems. They either "write a letter to the editor" or remark sagely, "Somebody should do something about this."

Walter offers another solution—do something yourself. He believes that the average citizen, if he is sufficiently dedicated and deeply in earnest, can effect tremendous changes in the way in which government affairs are managed, the laws which Congress passes, and even in the intercourse between nations.

He believes in a government which gives to every citizen the opportunity to live under freedom. Although he did not have the opportunity to finish his high school course, he took time to educate himself, mostly by independent study. He has had little time for books which are merely entertaining. Instead, he has been interested in the great volumes of literature which seemed to be written with a purpose.

More than anything else he has sought to preserve the ideals which were embodied in the Declaration of Independence and the Constitution of the United States. He is concerned to interpret those great documents to the youth of today in order that America may continue to be the great bastion of freedom.

To keep his people informed Walter began to send out a monthly letter to all of the employees.

Along with Walter's news sheet, all of his employees receive, may go copies of articles which he has found particularly worthy of consideration. He often adds frank comments on how business and workers are affected by taxation, inflation, and government spending.

On one occasion he wrote, "Every morning when we come to work we have to earn three thousand dollars for the government in taxes. We do this three hundred and sixty-five days a year. The government takes sixty-eight per cent of our earnings in taxes. If it took only half that much we could grow faster."

Apart from his vital interest in the church and in the community where he lives, Walter's most vital interest today is in the development of the concept of freedom and its preservation in America.

"We have gradually been chipping away at the American idea of freedom," he asserts. "We have forgotten that this was the basic principle for which our forefathers fought in 1776. Laws are needed in a republic, but too many laws which have been written upon the statute books within recent years have been those which have taken away liberty from American citizens. The founding fathers insisted that taxation without representation was tyranny. And now the burden of taxation which has been placed upon us is so severe that most Americans find, after paying their taxes, they have nothing left for the development of their industries."

He continued: "Corporations must be able to use their profits not only for reasonable taxes but for the development of their plants—for machinery which is the tool of production, for expansions, for the opportunity to make a better product."

A recent volume of the *Reader's Digest* has

quoted him as saying, "We started out under a system where we the people were the government and delegated the authority; now we have turned it around and the government imposes its will on the people. We've seen the government grow until it is all out of proportion. Every time it grows it takes bits of freedom out of our lives, and we become more dependent on it and less on ourselves."

"There are certain things you have to have to make a productive society—Incentives, competition, individual freedom to decide to do what you think is best. Those are the very things we are now losing to big government. Today we hear much about human rights versus property rights. Actually property rights are among human rights. Without them our whole system will collapse."

"These are the basic things we want to get our people concerned about."

And these, of course, are the principles which Walter has shared with his children, which he is now seeking to share with his grandchildren. He believes that the American Revolution was the only social upheaval in history which launched a new conception of government. It was the only revolution which sought to place government in the hands of the people themselves.

As a result of Walter's struggle, his battles against poverty, desert heat, and trouble, a character has been built which echoes the words of the Liberty Bell—"Proclaim Liberty Throughout the Land."

THE SOVIET NAVAL CHALLENGE

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. WALSH. Mr. Speaker, over the past several years I have become increasingly concerned and alarmed about the growing Soviet challenge to U.S. supremacy on the high seas.

The Russian Navy is expanding very quickly and has shifted from a basically defensive posture toward inclusion of an offensive capability.

This open challenge became evident when the United States was forced to back down in the face of a Soviet threat during the Mideast war in 1973.

There are no doubts in the minds of many of this Nation's long-range planners that, if present naval trends continue, the Soviet Union would be shortly capable of blocking essential raw materials on which Western industry is dependent.

In the March 1974 issue of the *Daughters of American Revolution Magazine*, retired Rear Adm. Ernest McNeill Eller discussed the problem in depth and I would like to share that discussion with my colleagues.

SEA POWER: THE ANCHOR OF FREEDOM

(By Ernest M. Eller)

(Rear Admiral Ernest McNeill Eller, former Director of the Naval History Division, retired from the Navy in 1970, ending a distinguished 48-year career. Currently, he is serving his second year as National Historian of the Navy League. Author of the book "The Soviet Sea Challenge," Admiral Eller has been an anxious observer of the Soviet Union's ex-

panding military might, especially on the oceans of the world. These are his views.)

Some three years ago, shortly before his death, Mendel Rivers gravely warned Congress: "All Americans have been given a blessed and priceless heritage of freedom—a freedom which . . . is in terrible jeopardy. The Soviet Union is now one of the world's two leading sea powers . . . possibly the leading power. . . I can only warn the members of this House that we are on the brink of disaster and I have never before been as concerned in all the years I have served in the Congress."

Conditions have worsened dreadfully since then. In the fact of phenomenal Soviet gains at sea that some observers, such as Captain John Moore, Editor of "Jane's Fighting Ships," believe make the U.S.S.R. the number one sea power in the world, and despite the fact the gap between Soviet and U.S. strength widens daily, the United States continues to cut back its defense spending. In late August the Navy Department announced it would slash deep into muscle once again, dropping the fleet to 518 active ships by the end of the fiscal year.

The United States is already weaker, in a relative sense, than in 1939 when unpreparedness in the West helped bring on the catastrophe of World War II. Friend and foe recognized this. Consequently, the latest shift of the balance of power at sea to the U.S.S.R. has already brought her far-reaching political gains which highlight with frightening import the deterioration of U.S. influence abroad following her decline afloat.

Today the shadow of the Bear looms over even the Caribbean, no longer a safe sea frontier. Cuba, long considered critical to U.S. security, becomes, despite occasional signs of independence, more and more a Soviet political and military outpost. According to underground reports Cienfuegos is not the only Cuban port under development as a potential Soviet naval base, and the Kremlin continues to add guided missile vessels to the Cuban fleet.

Communist agents fan out from Cuba throughout Latin America, where in recent years leftist parties have increased in numbers and aggressiveness. When they gain power—as they had in Chile (once, like Cuba, a close friend of the United States)—they scream "Yankee go home," confiscate American property, and embrace the Soviets.

FROM ICELAND TO EGYPT

Iceland, a keystone of North Atlantic defense, tells a similar sad story. Her present government is seeking withdrawal of American forces—primarily U.S. Navy aviation units conducting surveillance flights over the adjacent waters through which the Soviet submarine fleet debouches into the Atlantic. Nor are her relations with her NATO neighbor to the south more harmonious. For several months Iceland and Britain have been engaged in a "Cod War" over fishing rights. If the dispute is not resolved to Iceland's liking, it will not be surprising if she moves further from the Western alliance.

The Sixth Fleet once defended freedom uncontested in the Mediterranean. Now the Soviet "Sixth Fleet" often outnumbered it. Most of North Africa leans toward Moscow and is closed to visiting American warships. Where once the Stars and Stripes waved, the hammer and sickle dominates. As one example of what this change means, Libya last summer expropriated all foreign oil corporations, taking majority ownership. Most of the oil and natural gas for an energy-hungry world that would flounder without it lies in Muslim North Africa and the Middle East. The leaders there well know this, as does the USSR, now the leading "outside" power in that part of the world.

The eastern Mediterranean south of Turkey is almost a Soviet lake. Seeing which way the wind blows, Turkey also has made accommodations with Moscow. Long under British protection, Egypt now welcomes Soviet assistance. Because of internal intrigue, President Sadat in July 1972 ordered Soviet "advisers" and troops to leave the country. But this was only a temporary squall, no doubt in part for political effect. Egypt is still in the Bear's claws, as October's events made clear, and depends on the USSR for arms, economic strength, and her own military viability. The Kremlin has gained what Peter the Great vigorously sought long ago, a foothold in the Middle East.

Just as the Russian Bear has the Suez Canal within reach, so does he grasp for control of the southern approaches to the Red Sea. Britain's departure from Aden left a vacuum the Soviets eagerly filled. Through military and economic aid they have gained predominance in countries on both flanks of the Gulf of Aden. They seek the same influence in the Persian Gulf area, from which an ever-increasing stream of tankers flow to feed the insatiable economies of the West and Japan. For centuries the Tsars sought control of the Middle East. Now, almost overnight, it seems, Soviet influence flows by air and sea through this area of overwhelming economic and strategic value.

THE LOST VACUUM

Perceptive men long ago urged the United States to increase her own small Middle East Force to fill the Indian Ocean vacuum—a vacuum which, of course, no longer exists. When England began to withdraw her forces from east of Suez, the United States dallied, and Soviet warships sailed in. Besides their own Indian Ocean fleet, USSR combatants serve in India's Navy, and the Kremlin has helped "neutral" India build a submarine base. In summer 1971 Moscow and Delhi signed a mutual assistance security pact. It seems to some observers no coincidence that not long afterwards Indian troops invaded East Pakistan to "liberate" the natives. Russian backing of the venture may well have prompted India's attack; gifts of Russian arms undoubtedly insured its success. With fleets in the Mediterranean and Indian Ocean, and with the mounting dependence of many nations upon Iron Curtain aid, the USSR has become the leading force in the whole seething area.

Admiral Sergei Gorshkov, Commander-in-Chief of the Soviet Navy, and members of the Politburo have heeded facts that America has ignored. Perceiving the immense gains resulting from deployment of their fleets around the world, Soviet leaders continue to expand their worldwide capabilities. The recent addition of aircraft carriers to the Soviet fleet is only a small part of the buildup, but indicates how the Soviets have learned their lessons.

Yet, even as the USSR builds carriers in her furious expansion of sea power, the U.S. fleet dwindles. In fiscal year 1974 scheduled slashes will drop the U.S. Navy to 518 ships, some 45 per cent less than in January 1969. Even the infamous attack on Pearl Harbor did not reduce the U.S. fleet to the low levels now projected.

Had a powerful foe decimated America's naval strength in battle, the nation would have risen in a frenzy of anger and fear. Instead, Americans heedless that the national survival is at stake, complacently accept their Navy's new status as number two sea power. There are those who rationalize, saying the addition of new ships gives the smaller fleet a lower average age with more modern equipment. That is true. The fleet will be younger—but still much older than the Soviet fleet.

But these sophists are playing ostrich. The Navy has stretched to the elastic limit in 1968 trying to carry out her world duties. Except for the Vietnam war (in which many smaller vessels were deployed), obligations have not lessened. Furthermore, if, as has actually happened, an opponent openly bent on outdistancing the United States adds two or three new ships for every new ship built for the dwindling U.S. Navy, whose annual losses (through retirement of older ships) have consistently outnumbered gains in recent years, there is no way the U.S. fleet could be growing stronger in comparison with the Soviet Navy.

Nearly two years ago, Admiral Elmo R. Zumwalt, Jr., Chief of Naval Operations, responding to a question from Congress, spelled it out quite clearly: "The U.S. Navy has lost strength in the last year both absolutely and relatively to the Soviet Union." His warning was unheeded. At the close of 1973, Admiral Zumwalt's assessment of the military situation would have to be: "We have disastrously lost more ground at a faster pace. The Soviets have passed the U.S. Navy in strength—and continue to build furiously to widen the lead."

THE LIFE PRESERVER

U.S. naval strength has declined, moreover, despite constant proof that maritime strategy is a sure preserver of democracy. America grew to greatness under the umbrella of *Pax Britannica*, which allowed other nations to prosper under the various forms of government they preferred. Then, with uncontested superiority afloat after VJ Day, the United States carried on this live-and-let-live policy, helping less fortunate peoples to resist aggression in Korea, in Vietnam, and in the Middle East. Today, in 1973, however, the short-lived *Pax Americana* swiftly wanes, and is being succeeded by the graveyard peace of *Pax Sovietica*.

There never, at any time in world history, has been peace without strength. Nor is there any reason to believe the present generation can reverse this iron rule of history. America's present relative weakness at sea may very well encourage the Soviets to act more boldly. It certainly weakens the resolution of America's friends and, if unchecked, will inevitably undermine U.S. will and wisdom in foreign policy decisions—if it has not done so already. It could, in short, lead to another Munich with loud proclamations of "Peace in our time."

U.S. weakness at sea also could lead to another Korea, because lack of power might once again result in America's drawing a perimeter of defense, as in 1950, that clearly left defenseless a people threatened by communist aggression. The United States still, of course, has a vast reservoir of goodwill in South Korea, whose people understand the sacrifices this country made in order that they might have control of their own destiny and attain the peace denied for generations by aggressive neighbors. On that beleaguered Asian peninsula, as elsewhere, the United States alone of the great powers has given much of herself and asked for nothing in return.

GENERATION GAP

But the record of the past generation notwithstanding, there are today some Korean leaders in the South who fear the United States will not, for lack of capability if not for lack of will, be as strong an ally in the future, and for this reason have reluctantly assented to the recent unification talks with North Korea. Their fears may be well-founded. For the next confrontation between East and West could very well be set in a climate of nuclear blackmail, making it impossible for America's inferior naval strength to be stretched to a foreign shore.

History's bitter lesson, repeated time after time throughout the ages, is that it costs far less to prevent war by keeping strong than to fight it. And the reason the lesson is so often repeated is that it is apparently a most difficult lesson for good men to learn—they either never learn it at all, or they quickly forget it.

Tens of thousands of American servicemen gave their lives in the grim hills of Korea. The money "saved" by the budget cuts of the late 1940s was exacted a thousandfold. The United States managed to ultimately save South Korea but only because no Russian navy of consequence then existed. Would the outcome be the same today? Could the other dozens of brilliant U.S. peacekeeping operations—Lebanon and the Cuban missile crisis, to cite two examples—be repeated in the 1970s?

Future generations will wonder how the American public could shut its eyes to history's warnings on unilateral disarmament. No weapons race in itself causes war; a one-country "race" by an aggressor, with the peacekeeper idly watching, does. Such a race is taking place today, and the consequences are frightening to contemplate. The fearful shift in relative maritime strength to the Soviet Union, if unchecked, could mean an early eclipse of the United States as world leader.

The richest nation, the most generous, idealistic, and philanthropic, the leader of freedom—but a freedom which depends irrevocably upon superior sea power—seems prepared, in short, to abandon her leadership. America's friends throughout the world, and they are still quite numerous, are puzzled. They ask if a nation much less capable than the United States, under tyranny and with half the U.S. economic capability, can make such great gains, what is wrong with the American system? Why cannot Americans understand that when an expanding empire gains control of the oceans it also gains control of nations which border those oceans? Surely, it would seem, if a weaker government can concentrate resources to dominate the great waters that join all shores, the United States should be able to mount wisdom and resolution enough to match the effort. And surely some luxuries and domestic social experiments, however desirable in themselves, could be postponed for essentials to save the future.

Every American may well heed the words of former Representative Durward Hall of the House Armed Services Committee: "I'm scared to death . . . The Soviets will have a military force, and particularly strategic forces, strong enough . . . to checkmate the United States. . . . The crucial question is what the American people will do when the communists say: 'We've got you checkmated. Now dance to our tune.'"

There may still be time for the United States to reverse the downward trend, but the opportunity is fading more swiftly than the setting sun. In the English-French wars of the 18th century the sea-girt isles did reverse their decline in naval strength in time to meet Napoleon's threat. Thus, possibly, history might be saying, the United States has a chance. Even the term "possibly" may be too hopeful, however, because the point of no return may already have passed. Today's margin for action, and for error, is but a slim fraction of what it was two centuries ago when men did not have to deal with aircraft, ICBM's, and submarine missiles streaking over the horizon bearing nuclear warheads. There will be no time this time to rebuild neglected strength. Today's warships take years to construct, but only minutes to destroy—by enemy action or, more often, by legislative fiat.

LATE MEANS NEVER

If the United States is not ready at sea when the crisis comes, there will not be time to get ready. U.S. military forces are far weaker, compared to the forces of the Soviet Union, than at any time since the Bolsheviks came to power. Already the U.S. Navy faces an almost impossible job of coping with the huge Russian submarine force. As the Soviets achieve superiority in the number of nuclear ballistic missiles deployed in submarines (and that superiority is inevitable, given the present shipbuilding programs of the two countries) nuclear blackmail of the most vicious type would be easy to contemplate.

To illustrate: in one not altogether fanciful scenario suggested by think-tank strategists, whose job it is to think the unthinkable, Moscow would once again—as she apparently started to do in late October—dispatch air, ground, and naval forces to intervene in the Middle East. Simultaneously, a “hands off” ultimatum would flash from the Kremlin. With it would come notice that Soviet submarine missiles and ICBMs were zeroed in on U.S. cities, and any move to intervene would trigger them. The United States would not, it is generally believed, initiate a nuclear exchange. Indeed, the real question is whether she would even risk the possibility of such an exchange, even though much of the future of the Free World depends upon the Middle East.

American idealists, and there are many of them, scoff at such a possibility. Their reasoning seems to be that, because the United States would not resort to such blackmail, neither would the enemies of the United States. This is much like saying that because good citizens would not break the law, neither would criminals. It is extremely important to recognize the fallacy of such idealistic and well intentioned theories. Because, unless the United States acts promptly and with vigor to reverse course, the possibility for such blackmail, which already exists, will become almost irresistible.

The Soviets drive with unmistakable purpose to achieve ascendancy at sea; peaceful reversal will require “blood, sweat, and tears” from the American people, and a high order of leadership on the part of the President as well as Congress. Each day a solution to the problem becomes more difficult. Unless the United States quickly goes beyond the steps now underway—which are in the right direction, but halting and slow—she soon will have passed the last turning point!

Survival of the American way of life depends upon the will of the American people to preserve it. It depends upon the wisdom and integrity of national political leaders. Preservation demands superior strength, especially at sea. There is no alternative, and “détente” is no substitute.

Man has moved far since few were masters and most were slaves. He has farther yet to go if the United States and allies have but the sagacity to choose the right course and the fortitude to steer it. Charts marking the course, clearly read: “Be strong at sea or die.”

REVENUE SHARING

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. BENNETT. Mr. Speaker, the Jacksonville Journal in its November 29 edition had a searching editorial on the

question of the merits and demerits of the Federal Revenue Sharing Act, which I will include at the conclusion of my remarks.

Several years ago there was a philosophy being expressed to the effect that it would be better for the Federal Government to get out of broad areas of Government which are under our Constitution not primarily for Federal, but rather for State or local responsibility—such as education, welfare, et cetera—while at the same time providing the same amount of funds from the Federal Government but allowing the local governments to decide the details of the spending. Personally, I saw a lot of merit in that concept and only one strong negative thought against it, and that is that, generally speaking, it is sound government to require the spenders of tax dollars to be the ones who levy the taxes. When one group taxes and another spends there is a tendency to overspend.

It is also argued that local taxes are more regressive than Federal because the latter are almost entirely from income taxes. The weakness of that argument is that there is nothing in our Federal Constitution that prevents State, city, or other income taxes, even though many States do not have income tax laws now. Also, many States and also cities do have income taxes.

Anyway, when the Revenue Sharing Act was enacted the idea of the Federal Government getting out of an area of government was not tied very securely to acquiring the Federal funds and I and others therefore voted against it. The Federal Government is in much worse financial shape than any State of the Union. The Federal Government is in very bad financial condition in fact.

Now there was an argument made, and still being made, that these funds would be used for innovative new programs and projects. That concept also seems not to be the practice in many instances. For instance, I urged the city of Jacksonville to use a very small portion of the millions of dollars they receive under this program to take by purchase, or by condemnation, the oldest significant building in the core city and restore it for a modern cost-effective use sought for the Florida Junior College. Not only did the city refuse to use these funds for that purpose but they failed to apply in a timely fashion for other Federal funds that could have brought the project to reality. They were not turned down on the merits of the project. They just did not apply in the time scheme for applications.

On November 14 the Jacksonville Journal published the following editorial about revenue sharing:

HOOKED ON GREEN STUFF

Having hooked American cities on the revenue sharing habit, the federal government is now threatening to withdraw the drug. The writhing of the cities, including Jacksonville, is painful to see.

Mayor Hans Tanzler's chief administrative officer, Lex Hester, soon to be leaving the city for the greener pastures of Broward County,

has said losing the funds would be “an absolute disaster” for Jacksonville and could force an increase in local property taxes of about \$2.50 per \$1,000 of taxable value.

The problem is that Jacksonville, like many other cities, at first prudently earmarked the federal funds it was receiving under the program for such capital-expenditure uses as its water and sewer improvement projects.

But this year, the city is spending the \$9.7 million it will receive on current operating expenses—running the police and fire departments. It would be a hard blow to lose income the city depends upon to help pay for its day-to-day operations.

There is a feeling, however, that Congress may not favor extending the revenue-sharing program beyond its currently scheduled expiration date of December 1976.

The program was voted when there was relatively little concern for the state of the federal government's budget. It's fairly obvious on all sides now that Washington itself is nearly as strapped as the cities and counties on whom it has in recent years heaped its dollars.

Judging from his remarks before the Northside Businessmen's Club Tuesday night, City Councilman David Harrell is one city official who would not mourn the passing of revenue sharing.

Harrell said he believes that “we're out of our minds” to have become dependent upon those funds, and that cities should face up to their own responsibilities and pay their own way.

“Don't extract more (federal) income taxes for revenue sharing,” Harrell told the club. “Leave it (the money) here in the community so we can levy taxes if we have the guts to.” That's a stern prescription, but it may be one the cities will have to swallow.

On November 29 the Jacksonville Journal published the following editorial:

REVENUE SHARING

The concept behind revenue sharing was that a relatively flush but remote federal government should funnel funds back to the cities and states, where they would be used to pay for bold, innovative new programs without further increases in “regressive” state and local taxes.

Most of the federal officials concerned still stick to that viewpoint, at least in their public statements. The October edition of “Treasury Papers,” published by the U.S. Treasury Department, urging extension of the program, proclaims it “a success,” while conceding in the same sentence that “the needs which the Congress originally intended that it address continue to exist.”

Among other things, the publication says, the program has freed local resources for social expenditures, shifted the financing of activities “away from relatively more regressive state and local taxes to the relatively more progressive federal income tax,” and gradually is being relied upon more by local government for “recurring program costs than on capital expenditures.”

How constructive this last may be is debatable. Jacksonville, which has only in the current fiscal year begun using revenue sharing funds for recurring programs, now faces the prospect of having to raise property taxes to continue the same level of service if the program is discontinued next year.

The measure of the plan, according to Treasury, however, is to examine “the manner in which recipient governments utilize the funds they receive under the program.”

That is what a former deputy chief of the Law Enforcement Assistance Administration, considered a sort of revenue sharing

prototype, has done. His report is not favorable.

"The original notion was that we would be flooded with all these great ideas," Charles R. Work has said. "And lo and behold, they didn't come at all."

Instead, Work says, there has been "a paucity of innovative ideas," and a growing tendency to use the federal anticrime funds to buy gadgets, a one-time expenditure which requires no continued local effort when the federal money stops.

"Local law enforcement officials just won't look around for the good idea, in part because they are as backward as they are, and in part because they are as poorly educated as they are," Work claims.

Federal officials consequently, are making more and more of the policy decisions, which negates the program's purpose.

Add to this the federal government's own current budget problems and we begin to see why a number of congressmen now are beginning to question whether the revenue-sharing program should continue at all.

ILLEGAL ALIEN PROBLEMS SUBJECT OF MAJOR FEATURE BY NEWS-PAPER

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. BIAGGI. Mr. Speaker, in the November 23 edition of the New York Sunday News a feature story appeared on one of the most important economic and social problems of the United States, the illegal alien problem.

The story describes the effects which the 8 to 12 million illegal aliens are having on the U.S. economy. It also tells in graphic fashion how the illegal aliens are subjected to exploitation and vile treatment by virtue of their illegal status. The article also describes the very serious problems which the Immigration Service is facing trying to deal with the problem.

The article also goes into some detail about approaches offered as solutions to the illegal alien problem. Legislation has been pending in this Congress since January, and it was thought that when H.R. 8713 reached the House Rules Committee in October, consideration by the full House would soon follow. Now a scant week away from the end of the 1st session of the 94th Congress, this bill remains in the Rules Committee.

If the illegal alien legislation is considered by the House I will offer amendments similar to my bill H.R. 5987. The most important of these amendments will be to make it an immediate Federal crime to knowingly hire illegal aliens. Nothing short of immediate penalties will deter employers from hiring illegal aliens, a practice which has allowed illegal aliens to hold down more than 1 million jobs, many of them well paying, all of them desperately sought by American workers.

I hope Members will take the time to read this article and to push for consid-

eration of legislation which can correct the illegal alien problems in the Nation. It is as important a concern as any other issue we have considered.

Mr. Speaker, I insert "The Un-Americans," by Neal Travis:

THE UN-AMERICANS (By Neal Travis)

It was a good story at the time—two illegal aliens arrested as they toiled away at painting the Statue of Liberty. Very symbolic. But it's the unpublished sequel to that incident last January that is really symbolic of America's illegal alien problem: Both men arrested that day are still here.

They were brothers from Greece. One had jumped ship in Newark in 1969. Last year he married an American woman and, even though she had not applied for resident status for him at the time of the arrests, he has been allowed to stay in this country.

His brother illegally entered America from Canada about two years ago and, when arrested, elected to go back there voluntarily rather than be deported. The brother has since slipped back over the border and is living underground, waiting for his married brother's resident status to be approved so he can be legally sponsored.

What this all means is that our immigration laws are a sham. Anyone who is at least persistent will defeat them. This means that hundreds of thousands of jobs, or perhaps even more, that should belong to Americans are held by illegals.

The Immigration and Naturalization Service is hamstrung by lack of funds and manpower and by a Congress that, for its own various reasons, refuses to pass real laws to stem the alien flood. This does not mean the illegals are having a great time of it. In fact, most of them are pitiful figures living in fear and poverty. They are today's American slaves.

INS Inspector Jack E. Coffey is the man who made the Statue of Liberty bust. A former New York City cop and a veteran of immigration law enforcement, he could be expected to be bitter about the ones who get away. Yet he has seen the other side of the "wets"—as he and other INS men refer to the illegal aliens.

"These poor people have been ripped off, cheated and extorted in just getting here," he says. "Then their employers pay them slave wages, their landlords sleep them 10 to a room, phony lawyers grab anything that's left and finally, some of the time, we catch them and send them home."

"I feel very, very sorry for a lot of these people. America would be doing them a big favor by making it harder for them to get in in the first place."

"On the other hand, some very dangerous people are entering too. Fugitives from their own country, criminals, even murderers. In this job there's no way of knowing what your target has fled from when you apprehend him, which makes it a dangerous job. You can never tell to what lengths your man will go to avoid deportation."

Coffey and his fellow officers think they arrest about one in 20 of the illegals. "The figures aren't good," admits one, "but we can do the job—we've proved it over and over—if anyone really wants it done. If America wants the alien crisis solved it only needs to vote the INS the money and resources and we will get it done."

The illegals usually evade most taxes and they often get welfare to which they're not entitled. But Rep. Mario Biaggi (D-N.Y.), the loudest voice in Congress on the alien crisis, says: "I place almost all the blame with

crooked employers who see these unfortunates as a source of cheap labor. I want the illegals kept out of this country for the nation's good and for their own." Biaggi has, for almost two years, been pushing a bill that would provide fines and imprisonment for employers who knowingly hire illegal aliens.

Jim Bishop, Secretary-Treasurer of the Painters Union, District 9, reacts with the same mixture of anger and compassion. "The contractors are at fault," says Bishop. "They hire illegals at \$1.50 an hour, then easily outbid a union contractor who must pay his men \$8 an hour. But often they will work six days for one of these crooks and, come payday, the boss will tell them the INS inspector has been around and they had better flee—with, of course, no pay."

Rosa S. bears them out. "I have to do what I am told and accept what I am given," she says. "Always it is hanging over me that I am unlawfully here. I fear the knock on the door." Rosa is a maid on Fifth Avenue, the third housemaid's post; she came here from Haiti via Dominican Republic via Puerto Rico via Kennedy Airport.

"The boat was between Dominica and Puerto Rico," she says. "It cost me \$75 for the crossing. The first time the boat turned back halfway over, because it was rough. The man said we would go again two days later but that I would have to pay another \$75. My brothers spoke to the man and he changed his mind. But I was then very afraid during the next trip. We hear stories about people who pay to cross the passage and never make it to the other side."

From Puerto Rico it was a jet to Kennedy, loaded with citizens of the Commonwealth who have legal entry here—and an unknown number of "pretend PRs" like Rosa. She got through without any difficulty. The jumbo jet with its increased loads, has proved a boon to people like Rosa. It makes immigration checks at both ends of the flight just that much more difficult for the authorities.

Rosa was quickly absorbed in a Corona block where the population is about 90% Haitian. And on her second day she was taken to an employment agency in midtown Manhattan. If this was 20 years ago, Rosa would then have been subjected to "the line-up" in which ladies come in from the suburbs and pick out their new maids.

"It is better now," says Rosa. "They take your picture with an instant camera, write down your name and age and write in that you are from Puerto Rico." The agencies—about a dozen of them in Manhattan alone—then send a selection of these "biographies" to prospective employers. All parties know they are dealing with illegals.

"My first lady was very hard," says Rosa. "She shouted at me and called me stupid because then my English was not so good. And she worked me sometimes 13 hours in one day. When she paid me at the end of the week it was like she was giving me a gift. She would always say that I was illegal and must do what she ordered."

Rosa stood it for two months then simply ran away from the job. Still living with her country people in Corona, she selected a new name and went to another agency. The new "lady" was kinder and the work a little easier—from 8 in the morning until 7 at night and only till 3 on Saturday afternoon," says Rosa. "She paid me \$85. Then my lady went away and gave me to her friend. Here I work the same hours, but now I get \$95." Rosa has heard of the minimum wage law but doesn't think it has anything to do with her. She does not have a Social Security card, did not submit a tax return this year and, in fact, will never show up on any government file.

Nobody knows how many Rosas there are in America. The accepted figure at the start

of the year was seven to eight million illegals. In New York, says Blaggi, the illegals hold at least 150,000 jobs—jobs that are now more than ever needed by Americans. His current bill in Congress would almost double the number of INS inspectors, adding 2,500 officers a year at a cost of \$50 million a year. That's cheap, he says, pointing out that the Federal Government is spending \$4.5 billion to make room for 350,000 unemployed.

The Justice Department admits the INS hasn't the funds to slow down, much less stop, the illegal inflow. Department sources note that this year there seem to be more illegals coming in than ever, despite the poor job market here. America's 9 or 10% unemployment rate still beats many of the Latin American countries, where 25% unemployed is common.

Jobs are not the only problem that come with the illegals. Almost none of them have the funds necessary to set themselves up here, so they are destined to further tax the nation's welfare rolls. And they end up in ghettos, trapped there by high rents and low wages. None of the illegals has passed the health screening every visitor to the U.S. must have. No one knows what sort of communicable diseases may accompany them. The illegals are a drain on the economy, sending whatever money they can save out of the country to their relatives. And, in a grim tendency INS inspectors have noticed lately, more and more of the illegals are bringing drugs into the country. "You pick up an alien with a few ounces of heroin," one INS man says. "He pleads that he's never done anything like that before and he only wants to get a nest egg to set him up here. It's probably the truth, but it's one more way that narcotics are coming here."

The illegal alien who does keep out of trouble has very little to worry about from Uncle Sam. If he's caught, or turns himself in, the alien is given the chance to leave of his own accord, or be deported. If he refuses to go, a deportation hearing is set and in the meantime a usually modest bond granted. Perhaps a third of those who post bonds just vanish back into the alien underworld. And of all the aliens apprehended in the U.S. each year, one third are repeaters.

Not all the illegal aliens are lying low and minding their own business. Many of those being apprehended these days are found with an impressive array of documentation—including voter registration and Social Security cards.

A Social Security card is instant citizenship as far as most employers are concerned. They do not bother checking whether an applicant also has a work visa. Why should they? There's no penalty for employing an illegal.

Getting a Social Security card is not quite as easy as it was, say, five years ago. But it is still a whole lot simpler than it should be. Maurice Kiley, regional director for the Immigration and Naturalization Service, tells of one illegal picked up by his inspectors. He had 12 Social Security cards in 12 different names.

The illegal aliens are not all restricted to employment in the fields no one else wants to enter. There are accountants, advertising executives, travel agents—every field has its quota of illegals and the more prosperous the employment the less likelihood of their being hassled.

The most dashing of the illegal aliens are to be found tending bar in the better East Side saloons. At a time when more and more bars are finding it trendy to have an English or Irish "pub" atmosphere, there is a great demand for English and Irish bartenders. Many of them are illegals. The rest, because they have a close relative who is an American citizen, are semi-legal—that is, they are going through the motions of getting working visas while stashing away money.

But even these seemingly carefree illegals

share the fears of the lowliest wetback: Exposure. A lover's quarrel, an argument with a workmate, a set-to with the boss. "It's just like being a tax evader," says Tommy, a young Englishman who has worked the East afraid someone is going to put you in."

Still, they keep coming because it is their only hope of ever climbing out of the economic gutter. "You think I am badly paid here?" asks Rosa, the Fifth Avenue maid. "In Haiti I would not even have a job." To people like Rosa, the streets of America still seem paved with, at least, copper. It is a land of cars and washing machines, of good health services and higher education. "Maybe not for me," says Rosa, "but for my children."

TAX REFORM?

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 8, 1975

Mr. HARRINGTON. Mr. Speaker, there has been much debate and controversy surrounding H.R. 10612, the Tax Reform Act of 1975, which passed the House on December 4, 1975. My views on the measure as reported by the House Committee on Ways and Means were perhaps best expressed by Congressman MIKVA when he dubbed the measure the "Tax Relaxation Act." I am therefore disturbed, though hardly surprised, that a series of amendments offered in the hope of reforming at least to some degree the current tax structure have met with severely limited success. Even those progressive amendments which were adopted tend to be the ones about which corporate and moneyed interests were least concerned. Given the total results of last week's exercises, one can only conclude that private interests have won a sizeable victory.

The two amendments which, had they passed, would have signaled a significant desire on the part of this Congress to undertake meaningful tax reform were the real estate limitation on artificial losses—LAL—introduced by Congressman MIKVA, and the tightening of the Domestic International Sales Corporation amendment—DISC—offered by Congressman KARTH. The defeat of these two amendments makes it painfully obvious that the 94th Congress has little interest in eliminating even the most blatant of tax shelters.

The Mikva amendment called for a property by property assessment of investment ventures, not aggregation of investment gains and losses. It would have eliminated the transfer of a loss from one venture to a gain from another venture, the result being a net reduction of tax liability. The application of LAL on a property-by-property basis sensibly follows the precept that expenses incurred in an income producing venture should be subtracted from that venture's income for tax purposes, and not from income earned on a separate venture.

The validity of the DISC provisions has been the subject of highly speculative debate. We are all familiar with businesses' pamphlets which credit DISC with increases in export trade. These pamphlets rarely mention the intervening two devaluations of the dollar, which

seem to me wholly or in large part to account for the increase in export trade. Our failure to pass the Karth amendment merely serves to perpetuate the Treasury's \$1.3 billion export subsidy giveaway.

Those three amendments which did pass merely demonstrate, by virtue of the very necessity of this House's having to close such egregious loopholes, that this body has much work to do by way of renovating the tax structure of this country before it can claim even the meagerest of praise. The amendment offered by Congressman CORMAN, and approved by the House, was necessitated by a failure of the previous minimum tax concept to prevent wealthy individuals from maintaining large amounts of tax preferential income. The net result of the old law has been that taxes were avoided, or paid in a disproportionately small share, by those who can best afford to pay them. With this amendment we are at least spared the spectacle of 622 people with gross adjusted incomes of more than \$100,000 paying not one penny in Federal income taxes.

The two other laudable amendments which received favorable consideration were the portfolio withholding tax, introduced by Congressman FISHER, and the elimination of the capital loss carryback, introduced by Congressman STARK. The former of these amendments opposed the elimination of withholding tax of foreigners who earn income in the United States, a provision which would have allowed many foreigners to escape taxation by both our country and by their own country. The latter of these amendments prevented the special interests of a few wealthy individuals such as Mr. H. Ross Perot from being served.

Two particularly unadvised amendments, the minimum taxable income amendment—MTI—introduced by Congressman JONES, and the exemptions from LAL provisions and farm operations, introduced by Congressman SMITH, could by no stretch of the imagination be termed tax reform measures. The former would have provided a vehicle by which wealthy individuals already sheltered by the depletion allowance and capital gains provisions would actually enjoy a reduction of tax liability. The Jones amendment would have cost the Treasury \$300 to \$500 million; fortunately, the measure was defeated. The passage of the Smith amendment in a purported tax reform act defies the understanding, inasmuch as the only people who will benefit by a raise in the limit on nonfarm income will be people who invest in farms solely for the purpose of creating artificial losses to offset personal income. One more tax shelter for the rich would have been the only harvest these "farmers" would have ever produced.

Last week's debates and votes paint a grim picture indeed as to the possibility of meaningful tax reform in this Congress. As usual, business has received a token reprimand, while the tax paying public has to continue to bear far more than their fair share of the tax burden. The old cliché that the rich get richer and the poor get poorer has received added verification as a result of last week's inaction on the part of the House of Representatives.